



ZdravReform/ЗдравРеформ

**Second Semi-Annual Report
of the Two Year Option Contract**

**January 1, 1999 - June 30, 1999
CAR**

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ZdravReform/ЗдравРепорм

Memorandum

Date: 15 August 1999

To: Cathy Mallay, Contracting Officer
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Through: Sheila O'Dougherty, Regional Director
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From: Grace Hafner, ZdravReform Program

Re: Second Semi-Annual Report of the Two Year Option Contract:
January 1, 1999 - June 30, 1999

Please find attached the performance data for the first half of 1999. This report includes two parts, first section (1) Program Summary for each country and the second section (2) Program Activities: an extensive written description of performance activities accomplished for each country.

If you have any questions or concerns, please feel free to call me or Cari Ann VanDevelde.

PROGRAM SUMMARIES

ZdravReform Program Summary for Kazakhstan

January 1, 1999 - June 30, 1999

USAID's ZdravReform Program in Kazakhstan over the last six months was shaped in many ways by the enormous changes in national health policy that have taken place since the end of 1998. The national policy environment and the institutional structure in the health sector are changing rapidly, and it is still not entirely clear where the system will settle.

Several policy trends have emerged, however, that indicate that a shift from a national level back to a regional focus is the most appropriate strategy for the ZdravReform Program at this time. In particular, it is becoming clear that Kazakhstan is opting away from a national health care system and toward more regional variation in financing and service delivery policies. The level of decentralization and regional autonomy, which have always been strong in Kazakhstan, have been further entrenched by new legislation passed since the beginning of 1999. Therefore, over the past six months, while continuing to actively participate in national policy dialogue and national level reform initiatives, the ZdravReform Program has increased local level activities and strengthened its regional programs, particularly in collaboration with the World Bank.

The most significant change in national health policy during this period in Kazakhstan was the termination of national health insurance and the closure of the Mandatory Health Insurance (MHI) Fund at the end of December 1998. Although the MHI Fund was initially replaced by an alternative national level health financing institution, the Center for Health Purchasing, all government health care financing has effectively been returned to the general budget, which is administered at the local level.

The implications for health financing reform initiatives are enormous because: 1) there is no longer an earmarked tax for health care, which may threaten the overall level of funds available for health care; 2) health care financing is returned to the level of budget administration (rayon, city and oblast)¹, and health financing policy is therefore more fragmented, less efficient and less equitable; and (3) the Ministry of Finance and treasury stringencies are reintroduced into the allocation of funds across health care institutions and across expenditure categories within health care institutions.

The role of the Center for Health Purchasing (CHP) has been intensely debated since it was established in January 1999, and although the CHP currently has authority to finance some health facilities, it appears that the CHP will not emerge as an independent purchaser of health care services. By the end of 1999 it is expected that all health financing will be carried out directly by local finance and health departments. The CHP will remain a national level institution and may carry out some activities related to information and quality control. There is therefore the possibility of a split between information systems and health financing functions, which may raise some problems for the implementation of new provider payment systems.

¹ Rayon or raion is equivalent to a district; Oblast is equivalent to a region or state

A second change in national health care financing policy in Kazakhstan in the past six months is the expansion of the role of “GosZakaz,” a government competitive procurement mechanism that was previously used only in very limited ways for health care. “GosZakaz” is a loosely defined contracting mechanism that allows government financing bodies to enter into contracts with public and private providers of goods and services on a competitive basis. Since January 1999, “GosZakaz” contracts have replaced Mandatory Health Insurance contracts as the main financing mechanism for the vast majority of health care providers in Kazakhstan.

The form of “GosZakaz” contracts, the tendering process and the institution administering the “GosZakaz” all vary by oblast, and even by rayon and city within oblasts. In some areas “GosZakaz” is administered by the Center for Health Purchasing, while in others the akims² themselves administer the process, bypassing the CHP. Most oblast administrations have not carried out actual tenders, but have signed contracts with all health care providers, both public and private, that currently receive government financing. In many areas, the contracts specify a price per service and maximum volume of services, which are unique to each health care facility. The policy of locking providers into a volume and setting each provider’s price based on historical costs directly contradicts the implementation of incentive-based provider payment systems.

The recent changes in national health financing policy have resulted in somewhat diminished power for Kazakhstan’s national health policy bodies, including the Committee on Health and the MHI Fund/Center for Health Purchasing, and increasing regionalization of health policy. The laws and regulations supporting the new health financing policies are subject to wide interpretation by oblast administrations, and each oblast is responding to the changes differently. USAID’s ZdravReform Program has worked closely with the Committee on Health and National Center for Health Purchasing to stay apprised of and provides input into the rapid changes. ZdravReform specialists have provided assistance to analyze the implications of the new policies, keep oblast counterparts informed, and make recommendations for implementing the changes at the regional level in ways most consistent with the goals of the national health reform program.

Against this national policy backdrop, USAID’s ZdravReform Program has continued to work with Dr. Rachypbekov, Chairman of the Committee on Health, and Lubov Tarasova, Director of the Center for Health Purchasing, to implement the priorities established during the last period: extending primary care restructuring, developing a national hospital payment system, and implementation of Directly Observed Short-Course Therapy (DOTS) for tuberculosis. At the same time, however, the ZdravReform Program’s work at the regional level has intensified to solidify demonstrations in Zhezkazgan and Semipalatinsk, and work with local officials to implement new national policies in a way that supports regional reform programs. Also, work continues on strengthening collaboration on the World Bank health sector loan, which was ratified by the Kazakhstani Parliament during this period and is expected to become effective early in the next period.

² The Akim is equivalent to a mayor (of a city or district), or a governor of a state. The governing office of the city or the state is called the Akimat (or Hokimate)

To continue to extend primary care reforms nationwide, the ZdravReform Program facilitated a high level delegation, including the Vice Minister of the Ministry of Health, Education and Sport, to visit Zhezkazgan family group practices (FGPs) and participate in a seminar on primary care reforms. The visit served to further convince the Ministry that the Committee on Health's policy of establishing FGPs throughout Kazakhstan could improve the quality and cost-effectiveness of the health care system.

ZdravReform also continued support for family medicine training during the period by sponsoring 15 family medicine trainers from Kazakhstan, Kyrgyzstan and Uzbekistan to participate in a two-week training course in St. Petersburg. ZdravReform also sponsored five interns from the Kazakh Postgraduate Institute of Physicians in Almaty to do a two-month family medicine practical rotation in Zhezkazgan FGPs. In June, the summer trainings for FGP doctors in Semipalatinsk and Zhezkazgan/Satpaeva started.

Regarding the implementation of a new national hospital payment system, which was established as a priority by Dr. Rachypbekov and L. Tarasova during the last period, the ZdravReform Program began creating the necessary foundation for implementation. Five seminars, one national and four regional, were held to train representatives from all 14 oblasts, as well as Astana and Almaty City, in the new system and to distribute the hospital payment book that was developed by ZdravReform in the last period. In addition, a test of the new hospital payment system was initiated in the Almaty City Center for Health Purchasing. ZdravReform provided training, installed the information system and supervised initial data entry and analysis. The expansion of the test phase and actual implementation of the new hospital payment system will depend largely on how regional health financing policies evolve and how "GosZakaz" is implemented in different regions.

Significant progress was made during the last period on implementing the Government of Kazakhstan's national tuberculosis DOTS program. ZdravReform continued to collaborate with CDC, Project Hope and the national TB Institute to establish 17 pilot sites throughout the country. The ZdravReform Program supplied regional TB dispensaries in Zhezkazgan and Semipalatinsk with office equipment including a computer, and laboratory equipment and supplies to support the implementation of the national DOTS program in regional health reform sites. During the period from October 1998 to June 1999, 745 doctors and laboratorians have been trained in DOTS with the Project HOPE/ZdravReform collaboration. Also, more than 640 teachers, students of medical academies and universities have participated in lectures on DOTS. Health promotion materials were also designed and distributed. ZdravReform, CDC and Project Hope together developed laboratory safety guidelines; and ZdravReform will disseminate these 1,000 sets of posters to TB laboratories.

As discussed previously, USAID's ZdravReform Program particularly focused on intensifying its regional activities during this six-month period. ZdravReform continued to strengthen the FGPs in Zhezkazgan, Satpaeva and Semipalatinsk and support the integration, including infectious diseases and reproductive health, into the FGP scope of services. The ZdravReform Program sponsored three clinical training seminars for Zhezkazgan FGPs on specific clinical topics at the request of the FGP Association. In Zhezkazgan the ZdravReform Program also provided assistance to the FGPs to analyze their space and patient flow and develop renovation plans. Some financial assistance towards the renovation is being provided.

In Semipalatinsk City, the ZdravReform Program worked with the City Health Department to solidify the primary care restructuring that was undertaken in the previous period. The ZdravReform Program provided basic diagnostic equipment to the fledgling urban FGPs to support them during the transition before the World Bank health sector loan becomes effective. Three cycles of clinical training were also provided by ZdravReform in the use of the equipment. The FGP Association also worked with ZdravReform to initiate family medicine training cycles for FGP physicians at the Semipalatinsk Medical Academy, and the Semipalatinsk Nurses' Association provided training to FGP nurses in family practice nursing. Family medicine training in Semipalatinsk is expected to be expanded significantly under the World Bank project.

As part of on-going efforts to incorporate infectious diseases and reproductive health into primary care, the training for Integrated Management of Childhood Illnesses for family medicine doctors in Semipalatinsk has begun. This is a pilot, in collaboration with WHO and the Ministry, which will help institutionalize treatment of common childhood illnesses including acute respiratory illness and childhood diarrheal diseases into the primary care. In addition, 2 one-week reproductive health courses, using national retraining curriculum (developed with JHPIEGO assistance) were conducted in Zhezkazgan and Satpaeva.

The significant changes in health financing policy at the national level created some new challenges to the continued implementation of new provider payment systems in the regional sites. During this period, the ZdravReform Program concentrated on continuing to support the regional sites to maintain the provider payment reforms in the new policy environment, and to strengthen and expand the new management and information systems.

Particular progress was made in rolling out Zhezkazgan provider payment reforms to Karaganda Oblast. Karaganda Oblast is the only oblast in Kazakhstan that has passed legislation mandating that "GosZakaz" be implemented in a way that is consistent with new provider payment reforms. The new case-based hospital payment system is now functioning throughout the oblast and is supported by a complete hospital admissions database.

In all of ZdravReform's urban sites in Kazakhstan: Zhezkazgan, Satpaeva and Semipalatinsk, there is now a fully functioning population database. This database links the population to their FGP, and is used to implement the per capita payment system for primary care. The population databases will eventually be linked to the outpatient clinical information systems and hospital admissions databases in each site to track health services utilization and delivery throughout all levels of care.

New primary care practice managers, trained under ZdravReform assistance, began to work in Semipalatinsk FGPs during this period. Practice managers in Zhezkazgan continue to upgrade their skills, most recently through an intensive training program provided by a Peace Corps volunteer collaborating with the ZdravReform Program.

Health promotion/Public awareness activities in the period continued its focus around the Center for Healthy Lifestyle-USAID/ZdravReform journalist contest which was

successfully started last year. Therefore, the campaign is continuing nationally through 1999. There is a three-month time block for each theme: Tuberculosis was the theme from March to May; infectious diseases (ARI, CDD, Hepatitis A, and STIs) started in June and will run through August; and the last months of 1999 will be devoted to safe motherhood. ZdravReform also produced a brochure that explains tuberculosis, main symptoms of tuberculosis, tuberculosis prevention, and tuberculosis treatment for distribution in FGPs. The main purpose of brochure is to educate the public, with over 400,000 copies in Russian, Kazakh and Kyrgyz being printed and distributed in Kazakhstan and Kyrgyzstan. In May, ZdravReform help organized a press conference to officially present the USAID financed TB laboratory and office equipment to the Kazakhstan Government. This event is a part of the Kazakhstan and United States Government joint initiative to decrease morbidity and mortality due to tuberculosis in Kazakhstan through the implementation of the WHO - recommended DOTS.

USAID ZdravReform program provided AED with a list of 23 participants from the five CAR countries to participate in a Health Promotion study tour in Budapest, Hungary. This study tour highlighted the importance of the population's health status, the role of health promotion, the institutional structure of health promotion, and the possible models of health promoting interventions.

The first issue of "Time to be Healthy" regional informational bulletin started distribution across Kazakhstan, Kyrgyzstan, and Uzbekistan in January. The bimonthly topics included information about the ZdravReform program, FGPs, diseases such as Tuberculosis, and STIs, and associations. In addition, practical information on health reform has been included, such as health facility licensing. ZdravReform began distributing "Time to be Healthy" in Semipalatinsk and Zhezkazgan, plus 12 other cities. ZdravReform was very pleased to receive phone calls from these other cities (where our activities are not concentrated) requesting additional copies of the newsletter plus other technical materials offered on the back cover of each newsletter.

In an effort to create awareness among physicians about modern clinic design, ZdravReform started preparation of a video about appropriate designs of FGPs. This video will be used to train new family physicians by showing examples of FGPs and by opening dialogue between instructors, physicians and architects about adaptations on each individual clinic.

ZdravReform regional marketing team also started working on a series of 10 videos about safe motherhood. The collection of videos deals with all aspects of pregnancy, from planning to the care of a newborn. The videos will be from a man's point of view, showing his thoughts and feeling while his wife is proceeding through her pregnancy. It will emphasize the different stages of pregnancy and how the husband can help during each stage. The script has been written, edited and approved by the Ministry of Health, Education, and Sports.

The final draft of the "Keeping Children Healthy" brochure was completed after considerable technical discussion. This brochure had input from international children's health experts from UNICEF and from the leading country experts in Kazakhstan and Kyrgyzstan. The brochure is in the process of being printed and should be available in July for distribution.

Also in public awareness, Zdravreform continued to support the development of population data bases, created as a result of the enrollment campaigns conducted in Zhezkazgan and Satpaeva last year. In Semipalatinsk City, the ZdravReform Program continued to provide technical assistance to the City Health Department and Center for Health Purchasing to enter data from the administrative enrollment campaign conducted from October to December 1998. The administrative enrollment is a precursor to open enrollment, which will be implemented in Semipalatinsk City at the end of this year.

The major initiative in this period for the rollout of pilot projects and donor collaboration was the launch of the World Bank health sector project in Kazakhstan. A USAID ZdravReform team participated in the project launch mission and began planning activities in East Kazakhstan and Almaty Oblast. The major focus of ZdravReform assistance will be to consolidate the reforms in Semipalatinsk and expand them throughout the other two oblasts under the loan.

In summary, the health reforms in Kazakhstan continue to be shaped by the rapid changes in national financing policy, most of which are leading to a greater regionalization of Kazakhstan's health care system. This has led ZdravReform to intensify its efforts at the regional level to protect and expand the reform progress in the pilot sites. Nonetheless, the ZdravReform has continued to work with national level health policy leaders to provide input into the national level financing policy changes and to continue to support the national level health reform priorities.

ZdravReform Program Summary for Kyrgyzstan

January 1 – June 30, 1999

This report summarizes the progress in health reform accomplished in Kyrgyzstan by USAID's ZdravReform Program over the first six months of 1999. Detailed activities by intermediate result by target indicator are in second section.

In Kyrgyzstan, the health reforms continue to move forward at a rapid pace. In Issyk-kul Oblast, the reforms continue to mature and the process of institutionalization for long-term sustainability has begun. The collaboration with the World Bank to rollout the health reform model from Issyk-kul to Bishkek City and Chui Oblast continues to move ahead. The Health Reform Project was rated the only *highly satisfactory* project in the World Bank's Kyrgyzstan portfolio.

The process of extending the health reforms to South Kyrgyzstan, Osh and Jalal-Abad Oblasts is gathering momentum. It is a big job as South Kyrgyzstan contains 50% of the population of Kyrgyzstan. The rollout to Osh and Jalal-Abad Oblasts was planned in phases. The first phase was to introduce the health reforms in four pilot sites – Jalal-Abad City and Bazaar-Korgon Rayon in Jalal-Abad Oblast, and Aravan and Now-Kat Rayons in Osh Oblast.

The health reforms in these pilot oblasts are progressing, but much work remains and will continue over the next year. ZdravReform plans to collaborate with the Asian Development Bank (ADB) Social Sector Project in extending the health reforms to South Kyrgyzstan. The ADB Project has been delayed, but hopefully will become effective over the next six months. The process of developing plans to extend the health reforms throughout these two oblasts will begin over the next six months, but probably not be implemented until mid-2000 after the pilot sites have matured.

Initial plans to extend the health reforms to Naryn and Talas Oblasts were developed over the last six months. The rollout will proceed very gradually, due to limited resources. The initial focus will be on training to build institutional and human resources capacity. In addition, as the new health information systems being implemented are national in scope, ZdravReform will facilitate the introduction of the new health information systems in Naryn and Talas Oblasts.

In summary, the process of developing the building blocks or foundation for health reform continues to progress well throughout Kyrgyzstan. This foundation includes (but not limited to):

- Restructuring the primary health care sector and rationalizing the health delivery system
- Strengthening primary health care through clinical training
- Improving material conditions (equipment, renovation)
- Integration of infectious diseases and reproductive health into primary health care
- Involving the population through enrollment and health promotion
- Building the systems and human capabilities needed for new provider payment systems
- Introducing health new information systems
- Other activities

All of these activities are very time consuming as they involve changing the underlying structure of the system and developing human resource capacity. Yet with time and technical assistance, all these activities should be feasible given the time and resources.

In the past, broad health financing issues have been a major focus of ZdravReform but not the biggest concern as there was so much work needed to build the foundation for health reforms. Now, the foundation is developing and the time has arrived to focus more extensively on broad health financing issues.

Over the last six months, ZdravReform focused much more effort on broad health financing and institutional structure issues. The Health Financing Concept paper included below was developed by ZdravReform (Appendix A) and summarizes the issues and next steps. It also demonstrates how the World Bank and ZdravReform have collaborated effectively to address institutional structure and broad health financing issues. The concept is currently being considered by the Ministry of Health (MOH) and Ministry of Finance (MOF), and a process is being developed to address these issues.

It is vital to address these issues or the health reforms will not be sustainable. It will be a long process, but it is necessary to begin in order to sensitize the MOH, MOF, and Government and develop a process which will lead to resolution of the issues.

Finally, the health financing concept paper included below also provides insight on the timeframe for health reform in Kyrgyzstan. It is clear that the foundation will not be established or the broad health financing issues resolved until 2003-2004, or about halfway through the second World Bank Project.

Appendix A: Concept Paper

Health Financing Concept – Next Steps

Health reforms have moved forward very rapidly over the last two years, making the Kyrgyz Republic a leader in the Former Soviet Union. The health reforms can be broadly classified into three major categories: 1.) restructuring the health delivery system and changing clinical practice; 2.) population participation in health care; and, 3.) health financing and information systems.

In the first health reform category of “restructuring the health delivery system and changing clinical practice”, primary care has been strengthened due to the formation of close to 500 new Family Group Practices (FGP’s) throughout the country.

The Post-Graduate Institute’s Family Medicine Training Centers (FMTC) in Bishkek City, Issyk-Kul Oblast, and Osh Oblast are developing about 30 future family medicine teachers to support long-term medical education. In addition, they have retrained about 1,500 FGP physicians in family medicine. New clinical protocols are being developed which will provide a basis for the practice of medicine leading into the twenty-first century.

NGO's have been established and play an important role in the development and implementation of health reform. Family Group Practice and Hospital Associations exist in Bishkek City, Chui, Issyk-kul, Osh, and Jalal-Abad Oblasts.

Rationalization plans are beginning to address the excess capacity in the health sector. Health facilities have been rehabilitated. Tenders for necessary pharmaceuticals have been completed. Specific health issues have been targeted, for example, tuberculosis, and maternal and child health.

In the second health reform category of "population participation", the population has become involved in decisions about their health care by exercising their right to free choice of FGP. Marketing campaigns providing the population with information have resulted in enrollment of more than 80% of the population in FGP's in Issyk-kul and Chui Oblasts. In addition, health promotion campaigns are informing the population about their responsibility concerning healthy lifestyles.

In the third health reform category of health financing and information systems, great progress has been made by the Health Insurance Fund (HIF). They have introduced a new case-based payment system for hospitals and a new capitated rate payment system for FGP's. These new provider payment systems are being used to reimburse hospitals and FGP's throughout much of the Kyrgyz Republic.

The HIF has developed and implemented new information systems which are used to manage the new provider payment systems and provide the Kyrgyz Republic with good information for decision-making. These information systems are part of the innovative Kyrgyz Republic Jointly Used Systems operated by the National Medical Statistics Center/National Computer Center.

MOH Prekaz³ #314 issued in December, 1998 introduced new inpatient and outpatient clinical information forms which will be the basis of a new health information system. This health information system is currently being implemented, allowing one set of information to serve many purposes: health statistics, policy decisions, provider payment, and quality assurance.

The HIF ensured that the introduction of "Licensing and Accreditation" would be a success as health providers must be licensed and accredited to be eligible to enter the health insurance system. In addition, the HIF has introduced a new, innovative quality assurance system which is changing the way health providers think about quality.

The very positive results of the Kyrgyz Republic health reforms have been accomplished using a step-by-step approach. Health reforms have been introduced gradually following the policy development process of the MOH and HIF Joint Working Groups. The legal framework has been established, systems developed, and people trained. All the elements of the step-by-step process have helped to increase the probability that the Kyrgyz Republic health reforms would be successful.

³ Prekaz is a ministry level or health department regulation

While the step-by-step approach is optimal for many elements of health reform, there are two areas where it does not work well. These two areas are institutional structure and funds flow.

Concerning institutional structure, in December 1998, the Kyrgyz Republic took a major step forward by establishing a viable long-term institutional structure. The HIF was merged under the MOH to create a single-payer. The MOH and HIF Jointly Used Systems had bought time and allowed the health reforms to progress rapidly by avoiding the problems faced by Russia and Kazakhstan. However, the pace of health reform had slowed significantly because of the inability of the MOH and HIF to coordinate policy. The slower progress at a critical time for health reform in the Kyrgyz Republic necessitated the radical step of creating a single-payer under the MOH.

While merging the HIF under the MOH resolved the institutional structure issue in the broad organizational and legal sense, it did not address the internal MOH regulatory, organizational, and management changes required to create a functioning single-payer in the health sector. The MOH needs to restructure in order to accomplish this goal.

A January 20, 1999 letter from Chris Lovelace, the Director of the Human Development Sector Unit for Europe and Central Asia, congratulated the Ministry of Health on the excellent progress made in the implementation of the Health Sector Reform Project. However, he also commented on the institutional structure issue as follows:

"The Credit agreement, as you are aware, calls for the eventual establishment of a "Health Fund". Moving the HIF under the MOH to create a single-payer provides the opportunity to establish this Health Fund. This is also likely to present a significant challenge for the MOH's current technical capacity and profile of human resource skills. It is likely that some restructuring of the Ministry may be required to strengthen its capabilities in health financing in general, and provider payment systems in particular. While it is still early in the process, there may be an opportunity to address some of these issues in the preparation of the proposed Health II Project".

Clearly, it is important to begin the process of restructuring the MOH to create a Health Fund. It would be optimal to begin this process during the current Health Reform Project funded by a World Bank credit, and imperative to address it for the Health II Project.

Recommendation – the first step in restructuring the MOH is to improve coordination between the Budget Financing Department and the Medical Information Center. These two functions should be placed under one management unit in the MOH.

In the area of funds flow, virtually no progress has been made. If this serious issue is not addressed, it will jeopardize both the health reforms and the Health II Project funded by a World Bank Credit. It is the biggest health reform problem faced by the Kyrgyz Republic.

Why is there a problem with funds flow? Two major technical requirements are needed to implement new provider payment systems. First, the ability to pool funds at either the oblast or national level. This means that all rayon, city, oblast, and republican funds must be pooled into one fund. The second major technical requirement is the ability to distribute funds to providers on a non-chapter budget basis.

The HIF has been successful in the implementation of new provider payment systems using health insurance funds because it has both of these technical requirements. The MOH has not been successful in the implementation of new provider payment systems because it does not have either of these two technical requirements.

Why is it important to address this funds flow problem? The Credit agreement for the Health Reform Project funded by a World Bank Credit calls for the establishment of a "Health Fund into which national, oblast, municipal, and rayon level health authorities will contribute and out of which medical providers will be paid." This means that funds must be pooled into a "Health Fund".

The November 2-14, 1998 Aide-Memoire for the Mid-Term Supervision Mission for the Health Reform Project funded by a World Bank Credit states that "the pooling of funds at the oblast level is the biggest obstacle to the implementation of new provider payment systems using budget funds." Further, it "recommends that the pooling of funds at the oblast level be established as the highest priority of the provider payment component over the remaining two years of the Project."

This is not a new issue. The health reform team has made the pooling of funds one of the highest priorities over the last two years. Their plan was to continue to use the Kyrgyz Republic step-by-step process. Issyk-kul Oblast was to be the pilot site for pooling funds for FGP payment and Chui Oblast was to be the pilot site for pooling funds for hospital payment. Then, the methodology would be extended nationwide.

The first step was to pool budget funds for FGP payment in Issyk-kul Oblast. In 1998, Issyk-kul Oblast pooled oblast, municipal, and rayon funds for FGP payment. In 1999, Issyk-kul Oblast took a step backwards and did not continue to pool funds for FGP payment. This step backwards was taken by the Oblast Administration despite a joint letter from the Ministry of Finance (MOF) and the MOH directing the pooling of funds and new provider payment systems.

The second step was to pool budget funds for hospital payment in Chui Oblast. The health reform team worked with the Chui Oblast Administration for almost a year concerning pooling funds for hospital payment in 1999. The Chui Oblast Administration had agreed to pool the funds. At the last minute, the Chui Oblast Governor decided not to pool the funds, meaning that a year of effort was wasted.

In addition, to the steps in Issyk-kul and Chui Oblasts, in 1998 the health reform team developed another strategy to pool funds -- using the Republican Categorical Grants as a mechanism. The Republican Categorical Grants have the technical requirement needed; they are distributed to the oblast level. Therefore, the funds from the Republican Categorical Grants are pooled at the oblast level. This option was developed conceptually, however, at this point, there is no operational mechanism available. In other words, how would the funds actually flow?

The lesson learned from these experiences is that the step-by-step approach to the issue of pooling funds does not work. A broad, high-level, legal intervention from the Government is required to solve this problem.

What strategy should be used to address the funds flow problem? The most logical and highest probability option involves using a mechanism already proven to work. The HIF is able to pool funds and distribute money without chapters; the MOH has been unable to accomplish it. So why not use the HIF, which has already achieved success in this area, as a mechanism to address funds flow issues?

The problem with funds flow in the health sector could be addressed by combining the advantages of the HIF and the Republican Categorical Grants. The HIF has the ability to pool funds and distribute funds without chapters, as well as the institutional structure at the oblast level required to operate new provider payment systems. The Republican Categorical Grants pool budget funds at the oblast level.

Recommendation -- the Republican Categorical grants be transferred to the HIF where the funds are pooled and new provider payment systems implemented.

If this strategy is approved and results in a major conceptual change in funds flow in the health sector, steps can be developed to implement the new funds flow gradually. An example of these steps is presented in the following table:

Steps for implementing new funds flow

Year	Funds Flow – Republican Categorical Grants (RCG)	New Provider Payment Systems	Local Budgets	Benefits
1999	1. Develop broad strategy for transfer of RCG pool of funds to HIF. 2. Laws/Regulations approve transfer of RCG pool of funds for FGP's to HIF in 2000.	1. Calculate primary health care pool of funds for FGP's. 2. Calculate capitated rate for payment to FGP's for both health insurance and budget funds.	No Change	Develop and approve primary health care benefit package.
2000	1. RCG pool of funds for FGP's transferred to HIF. 2. Laws/Regulations approve transfer of RCG pool of funds for hospitals to HIF in 2001.	1. HIF pays a capitated rate to FGP's for health insurance and budget funds. 2. HIF calculates hospital pool of funds. 3. HIF calculates base rate for payment to hospitals and other parameters of hospital payment system.	Begin to develop strategy to pool local budget funds No change	Develop and approve inpatient care benefit package and referral rules
2001	1. Continue transfer to HIF of RCG pool of funds for FGP's. 2. Begin transfer to HIF of RCG pool of funds for hospitals. 3. Laws/Regulations approve transfer of RCG pool of funds for polyclinics to HIF in 2002.	1. HIF continues to pay a capitated rate for FGP's for health insurance and budget funds. 2. HIF pays hospitals under a case-based system for both health insurance and budget funds. 3. HIF calculates polyclinic pool of funds. 4. HIF determines parameters of polyclinic payment system.	Legal approval and process developed to pool local budget funds	Develop and approve outpatient specialist and diagnostic test benefit package and referral rules
2002	1. Continue transfer to HIF of RCG pool of funds for FGP's. 2. Continue transfer to HIF of RCG pool of funds for hospitals. 3. Begin transfer to HIF of RCG pool of funds for polyclinics.	1. HIF continues to pay a capitated rate for FGP's for health insurance and budget funds. 2. HIF continues to pay hospitals under a case-based system for both health insurance and budget funds. 3. HIF begins to pay polyclinics under a new payment system for health insurance and budget funds.	Local budget funds pooled	Refine benefit package
2003 2004	All RCG for health sector transferred to HIF as pools of funds.	HIF continues to pay providers under new payment systems for health insurance and budget funds.	Local budget funds pooled	Refine benefit package

What process can be used to move forward with this recommendation? The health reform team has established collaboration with the MOF which can be used to develop this recommendation. The MOF Public Sector Resource Management Adjustment Credit (PSRMAC) funded by the World Bank is addressing a number of financial issues, including health sector budgeting. Technical assistance for this project is being provided by TESIS. A Joint Working Group consisting of members from MANAS, the MOF, TESIS, and USAID has been formed to address health sector budgeting issues.

The MOF has requested six health-related reports from this project on program budgeting, planning and budgeting, intergovernmental finance, functional specification, health sector efficiency indicators, and oblast guidelines. These reports and corresponding seminars can be used to develop and present the HIF/Republican Categorical Grant strategy. After the details of the strategy are developed, it can be presented to the Government. If the strategy is approved, it can be included in the 2000 Law on Budget.

In summary, not addressing funds flow issues could jeopardize the health reforms and the Health II Project funded by a World Bank Credit. The step-by-step approach has not worked and a major, high level, legal intervention from the Government is needed to solve the problem. The strategy recommended is to transfer the Republican Categorical Grants to the HIF which has the technical and institutional capabilities required to pool the funds and implement new provider payment systems. Collaboration with the PSRMAC Project funded by the World Bank can be used to develop and implement this strategy.

ZdravReform Program Summary for Uzbekistan

January 1, 1999 – June 30, 1999

This report summarizes the progress in health reform accomplished in Uzbekistan by USAID's ZdravReform Program over the first six months of 1999. Detailed activities by intermediate result by target indicator are in second section.

The World Bank "Health One" Project, a \$33 million dollar health sector loan based on the health reform demonstration model pioneered by USAID's ZdravReform Program in Kyrgyzstan and Kazakhstan, became effective in March after several years of discussion and design. The loan follows the basic health reform model of restructuring the primary health care sector and introducing new market-based provider payment systems in a pilot oblast and then extending the model. The Health One Project will be implemented in three oblasts: Ferghana, Syr Darya, and Navoi.

The primary responsibility of USAID's ZdravReform Program is to assist the World Bank Project Implementation Bureau (PIB) set up by the National Ministry of Health, the National Government, and the Ferghana Oblast Government in implementation of financing and management reforms in three experimental rayons in Ferghana oblast. New primary health care facilities are to be given greater self-management and to be paid based on a new provider payment system using a capitated rate or set amount per enrolled person. The health reforms piloted in Ferghana oblast will serve as a model for extension to the two remaining oblasts, and ultimately will determine the direction of national health reform.

During the last six months, USAID's ZdravReform Program made significant strides in implementing health reforms in Ferghana oblast. ZdravReform supported the PIB as the loan became effective and then worked with the PIB to define a process for joint implementation of the health reforms. Eight Joint Working Groups on key components of the reform agenda were formed and these groups have started to develop detailed implementation plans for each component.

Since January, ZdravReform provided legal analysis, advice, and assistance in drafting legislation supporting the health reform project, including a Cabinet of Ministers resolution "On implementation of primary health care reforms in Ferghana oblast," a government decree on financing of SVP⁴s using a capitated rate, SVP by-laws, and a decree on incorporation of SVPs as independent juridical entities. ZdravReform also supported the establishment and ensured the registration as independent juridical entities of 45 SVPs and SVA/FAP⁵ complexes in three experimental rayons in Ferghana oblast (Besharik, Kuva, and Yezyavan). ZdravReform was instrumental in convincing policymakers to include all primary care facilities (SVA/FAP), not only SVPs, in the new financing and management systems. This will be crucial to show an impact on the efficiency and effectiveness of the primary care system as a whole.

In addition to supporting the development of a legal framework for the reforms and establishing and strengthening the primary care facilities, ZdravReform was successful

⁴ SVP is a new rural outpatient center, constructed by the government of Uzbekistan

⁵ SVA/FAP complex is old outpatient rural ambulatory with feldsher outpost. Feldsher is medical worker with limited skills for rural place

in implementing a new payment system for the facilities, based on capitation. In February, ZdravReform surveyed more than 25,000 primary care patient encounters in the three pilot and three control rayons of Ferghana. The survey will be used as a baseline for evaluating changes in primary care service delivery related to the health reforms and to calculate risk (age and sex) adjusters for primary care capitation rates.

Discussions then were held with officials from the Ferghana Oblast Central Bank and Oblast Finance Department officials to determine a mechanism for disbursing primary health care capitated budgets according to business plans developed by the facilities. Under the previous system, budgets were allocated according to strict, centrally planned budget chapters. The representatives from the oblast financial sector agreed to accept business plans in place of chapter budgets for internal allocation of primary care resources. By the end of May, all SVPs and SVA/FAP complexes were registered, and payment to these facilities according to their business plan budget estimates began in early June.

Simultaneously with the development of the new provider payment system, ZdravReform began to develop a new computerized health information system for Uzbekistan based on the information system being used by the Kyrgyzstan health reform program. ZdravReform and the PIB developed new clinical and financial information forms for the new information system, established procedures for completing the forms, and defined the flow of information necessary to create a comprehensive population database for Ferghana Oblast. The Ministry of Health and the Oblast Health Department approved these materials.

ZdravReform and the Oblast Health Department began collecting population data in the experimental and control rayons. At the end of May, ZdravReform MIS staff from Tashkent and Ferghana oversaw the arrival of 22 computers for the new Ferghana Oblast Computer Center that will be set up in the Ministry of Health Office of Medical Statistics. They ensured that the specifications were accurate. In June, ZdravReform provided limited funding to complete electrical repairs that must be completed before the computers can be installed and used. This will avoid further delays in setting up the Oblast Computer Center and ensure rapid installation of the computers in early July.

In addition to the development of new health information systems, ZdravReform was successful in developing new management mechanisms to support the new provider payment systems. In November, ZdravReform provided technical assistance to the Oblast Health Department and the Oblast PIB in hiring Financial Managers to be located in SVPs and SVA/FAP complexes in Ferghana oblast. These Financial Managers will help to manage the facilities under the new payment system.

ZdravReform provided a three-month training program for the Financial Managers on business planning, marketing strategies, health statistics, management information systems, and modern accounting practices. The trainees visited a number of SVPs where they collected baseline information to develop mock business plans and discussed the statistical reporting requirements of PHC facilities. In February, at the end of training, 16 Financial Managers were tested and certified, giving them the right to work as Financial Managers in the SVPs and SVA/FAP complexes in the three experimental rayons. Follow-up trainings for the Financial Managers once they are

settled in their facilities are planned, as is the development of a manual to guide their work.

In April and May, ZdravReform and the Oblast PIB worked with 16 SVP Financial Managers in Ferghana oblast to develop and refine budget estimates, then entered the corrected estimated budget figures for all three experimental rayons into a database. During the last week of May, ZdravReform staff traveled to Ferghana to ensure that all SVPs and SVA/FAPs were registered. As mentioned above, using the budget estimates provided by the Financial Managers, funds began to flow from the Oblast Health Department to the SVPs and SVA/FAPs during the first week of June.

In May, ZdravReform met with Peace Corps Business Management Volunteers to discuss their role in supporting the financial management of the SVPs and SVA/FAP complexes in the three experimental rayons. ZdravReform discussed their general scope of work, how they can best support the financial managers currently assigned to the SVPs and SVA/FAPs in their rayon and how to best communicate with ZdravReform staff in Ferghana and Tashkent. The four volunteers were posted officially at their sites on May 24. One volunteer will be in Kuva, two in Besariq, and one in Yezyavan. ZdravReform again met with the Peace Corps Business Management Volunteers in June after they had been at their posts for two weeks to discuss their initial impressions and to conduct a survey on in-service training needs for the Volunteers as well as for the Financial Managers.

Realizing that reform of the health care system depends on the presence of skilled personnel, ZdravReform continued to conduct a number of short-term clinical training workshops for physicians and mid-level personnel. ZdravReform selected topics for the clinical training based on the common health issues and diseases in Ferghana oblast. In total, 70 physicians and nurses were trained in reproductive health and family planning, 62 in rational breastfeeding, 61 in diagnosis and treatment of cardio-vascular diseases and arterial hypertension, 71 in emergency medicine and first aid, 72 in treatment of diarrhea, 75 in treatment of acute respiratory infections, and 53 in rational prescribing of drugs.

ZdravReform plans to evaluate retention of knowledge and use of skills learned by doctors who participated in the short-term clinical training over the next month. This information will be essential to the development of a clinical training workplan. Additional training in the topics mentioned above for all health personnel in the experimental rayons, as well as development and use of new training modules, will be the primary focus of the workplan.

The contents of the seven short clinical courses given by ZdravReform were reviewed by the scientific council of the Tashkent Institute for Advanced Medical Education (TashIAME) and adopted for use at TashIAME departments on May 26. They have been approved as joint training programs, so certificates of completion of those courses will be issued both by TashIAME (which is licensed for issuing postgraduate medical education certificates) and ZdravReform. In the future, certificates will be given not only to primary health care physicians from three experimental rayons of Ferghana oblast, but also to doctors in other oblasts, who will be trained by TashIAME trainers. Certificates are being drafted now.

In addition to the training mentioned above, ZdravReform provided SVP physician seminars (one 6-day seminar per rayon) on rational drug prescription, drug interaction, and rational drug administration to special groups (children, pregnant women, etc.) in January. The seminars attracted considerable interest from SVP doctors, doctors polyclinics and central rayon hospitals, and rayon specialists. Participants expressed their desire for additional short seminars on rational drug prescription for diabetes, goiter, and anemia. A one-day seminar on these subjects was organized in February for 20 head Ferghana Oblast specialists.

In June, ZdravReform consultants from Almaty traveled to Tashkent and Ferghana to assess the drug supply situation in the SVPs and to investigate the possibility of including drugs for childhood illnesses (Acute Respiratory Infection and Childhood Diarrheal Diseases (ARI/CDD)) into the drug stocks of the SVPs. A drug tender was being planned using the money from the capitated payments paid to each SVP by the Oblast Health Department. Unfortunately, some of the antibiotics crucial for treatment of ARI were not included in the tender. However, since there are virtually no drugs of any kind in the SVPs at this time, it was decided to wait until the next tender before again trying to get ARI drugs on the purchase list, so as not to delay the process any further.

ZdravReform also reviewed the emergency drug list and made suggestions on the appropriateness of some of the drugs in terms of safety and efficacy. The PIB and the head of the Uzbekistan National Drug Quality Control Division also asked ZdravReform to assist in reprinting the National Essential Drug List. However, considerable additions to the list have been made since the last time ZdravReform funded printing of the list and it is necessary for the ZdravReform team to carefully review the new list before committing any resources.

Health promotion and marketing activities were also initiated over the past six months. ZdravReform recommended five participants from Uzbekistan for a Health Promotion study tour in Budapest, Hungary. The main topics of this study tour included the role of health promotion, how to institutionalize health promotion, and how to develop health promotion interventions and activities.

ZdravReform also translated into Uzbek and distributed three issues of "Time to be Healthy," a ZdravReform regional informational bulletin. These bulletins contain key information and lessons learned from the reform process in Kazakhstan, Kyrgyzstan, and Uzbekistan. Numerous local radio and TV programs related to various aspects of the health care reforms also have been broadcast throughout Ferghana Oblast. In addition, articles were published in the local print media. Among the covered topics were the SVP financial managers' seminar, the role of communities in the health reform process, and clinical courses for physicians and nurses.

In mid-June, ZdravReform, with support from a consultant from the Bishkek office, developed a brief marketing plan for Uzbekistan. The plan is based on the ZdravReform regional health marketing strategy and includes activities to disseminate information about health reform to policymakers, health personnel, and the population. The plan includes health promotion activities designed to increase the patient's responsibility for his own health and to advocate the use of family-centered, low-cost primary care facilities. The plan also includes activities designed to strengthen the role

of the Inter-Mahallah Health Advisory Boards to disseminate public health information and the role of the SVP Physicians Association to disseminate information about the reforms to health personnel. ZdravReform will collaborate with the USAID-funded Commercial Market Strategies (CMS) Project on social marketing in reproductive health and will also begin to collaborate with the new TACIS-funded project on “Strengthening Preventive Health Care Policies and Programs” that focuses on promotion of healthy lifestyles.

In addition to health marketing efforts, ZdravReform designed a small grants program to fund community-based public health interventions that create a partnership between the community and the primary health care facility. To date, ZdravReform collaborated with Counterpart Consortium to conduct Participatory Rural Appraisals in several villages to assess health needs that may be addressed by a small grant. Simultaneously, ZdravReform has been identifying local NGOs that may be eligible for a grant, working to get them registered as NGOs, and encouraging them to apply for grants. In May, ZdravReform staff developed grant program documents and distributed grant application forms to all SVP head doctors. In addition, ZdravReform placed requests for applications for grants in oblast newspapers. Grant applications for the first round of small grants to be awarded are due by the end of June.

During the next six months, USAID’s ZdravReform Program will continue to focus on the pilot project in Ferghana Oblast and continue to support SVP development. ZdravReform will continue to provide short-term clinical training to health personnel and will speed up the development and publication of materials in Uzbek for each short course. Grants will be awarded to NGOs for health promotion activities and other health marketing activities will be initiated. In addition, the new payment system will be further refined by adjusting rates based on the age and sex of the population; and the management and health information systems will be set up in the new Oblast Computer Center. A major focus over the next six months will be to increase the role of the financial managers in the SVPs and SVA/FAP complexes through additional training and the development of a financial manager’s manual. ZdravReform will continue to provide assistance to facilities and financial managers on internal resource allocation and utilizing their new financing in the most efficient manner.

Program Activities
Detailed, by Intermediate Result Framework

Kazakhstan Program Activities by Intermediate Result Framework, from January 1-June 30, 1999

IR 3.2.1 Cost-effective health care services demonstrated in selected oblasts

LLR 3.2.1.1 Strengthening primary health care

Indicators: -Increased number of independent primary care practices
 Percentage of primary care practices with expanded scope of work services

This section details activities related to FGP formation and strengthening, as well as activities to expand the scope of services of FGPs. During this period activities focused on: (1) the adaptation of lessons learned from Zhezkazgan for input into national primary care reform policy; (2) the continued strengthening of Zhezkazgan and Satpaeva FGPs; and (2) the institutionalization and strengthening of the new network of urban Semipalatinsk FGPs in preparation for the World Bank health sector loan.

1. Expanding the Zhezkazgan Primary Care Reform Experience

- As part of the national expansion of primary care reforms in Kazakhstan, a ZdravReform Program team accompanied a delegation from the Ministry of Health, Education, and Sport to Zhezkazgan in January to observe the primary care-oriented health reform program. The Vice-Minister, 13 members of various health departments, and government officials visited three FGPs and participated in a health care reform seminar. The seminar covered the following topics: reorganization of primary care, FGP enrollment, clinical protocols, FGP equipment, quality assurance principles, FGP practice managers, and payment methods. The delegation left with a positive impression of the national policy to establish FGPs throughout Kazakhstan.
- The ZdravReform Program facilitated a visit to Zhezkazgan by Barbara Kennedy and Indira Aitmagambetova, USAID OST. The purpose of their trip was to look into the achievements and challenges of the health reforms in preparation for the USAID Health Sector Future Directions Mission scheduled for September-October 1999. The program included meetings with health authorities and site visits to FGPs. Ms. Kennedy was interested in the financial sustainability of FGPs, and the integration of vertical programs into the FGP structure.

2. Family Medicine Faculty and future trainer training

- To strengthen regional capabilities in family medicine training, the ZdravReform Program sponsored a delegation of 15 family medicine trainers from Kazakhstan, Kyrgyzstan, and Uzbekistan in a two-week family medicine teachers' training course in St Petersburg, Russia. This course was an excellent opportunity for the trainers to learn new training techniques, observe a family medicine training center developed under a World Bank project, and make contacts with peers outside of CAR.
- The ZdravReform Program sponsored five interns from the Almaty Postgraduate Institute of Physicians to do a two-month family medicine practical rotation in Zhezkazgan FGPs. During the rotation in May and June, the interns had the opportunity to participate in all aspects of the practice of family medicine under the close supervision of the FGP head physicians. As FGPs do not yet exist in Almaty, the practical rotation in Zhezkazgan provided the interns with a unique opportunity for hands-on experience in family medicine.

3. Strengthening Zhezkazgan FGPs

- To continue to support the physical improvement of FGPs in Zhezkazgan and Satpaeva, the ZdravReform Clinical Director presented a seminar on the principles of the organization of space and patient flow in FGPs to Zhezkazgan and Satpaeva FGP physicians. After the presentation, a ZdravReform team visited each FGP to evaluate its physical structure, make recommendations about internal reorganizations, and develop a plan for renovations.
- As part of the ongoing effort to upgrade the clinical capabilities of Zhezkazgan and Satpaeva FGPs, ZdravReform sponsored a training for 20 FGP physicians in ENT (Ear, Nose and Throat), and a one-day training seminar on cardiovascular problems to 25 FGP physicians. Both seminars, which were requested by the FGP Association, were conducted by professors from the Postgraduate Institute of Physicians in Almaty. In addition, the Head of the Zhezkazgan Regional Health Department presented a one-day seminar on the prevention of acute intestinal infections in May for all FGP physicians. The quality of the region's drinking water is expected to become worse during the summer months, which may cause an increase of intestinal infections.

4. Strengthening Semipalatinsk FGPs

- In January, the ZdravReform Clinical Director conducted an assessment of the conditions of the new network of 29 FGPs in Semipalatinsk City. Although several of the FGPs in Semipalatinsk City are well established, the new FGPs continue to face difficult conditions. Since they were established in November 1998, many of the FGPs have not yet received adequate equipment and supplies, and their spaces have not yet been renovated. The ZdravReform Program team helped the FGPs prepare an inventory list of all existing equipment and prioritize future equipment needs. ZdravReform also presented a training seminar for the FGPs on medical equipment procurement and grant proposal writing.
- As a result of the January assessment, the ZdravReform Program agreed to provide limited diagnostic and reproductive health equipment for the Semipalatinsk FGPs during the transition until the World Bank health sector loan provides more extensive equipment, supplies and renovation. The ZdravReform Program supplied each FGP with a basic set of diagnostic equipment, including EKGs to diagnose cardiovascular illness and otoscopes to diagnose ear infections, and a set of equipment to conduct reproductive health examinations. The ZdravReform Program also organized three training cycles to train FGP physicians in the use of this equipment. The training was provided in collaboration with the Semipalatinsk Medical Academy and the Almaty Postgraduate Institute of Physicians.
- In addition to clinical training in specific topics, the ZdravReform Program has continued to support general family medicine retraining for FGP personnel in Semipalatinsk City. In March and April, a two-month retraining course in family medicine was provided by the Semipalatinsk Medical Academy for 16 FGP therapists. In addition, the Semipalatinsk Nurse's Association conducted a 144-hour cycle on family practice nursing for 15 FGP nurses.

5. Tuberculosis (TB)

- During this period, the ZdravReform Program continued to collaborate with Project HOPE, CDC and the Government of Kazakhstan on the implementation of the national TB program.
- In January, ZdravReform, CDC, Project HOPE and the national TB Institute developed a list of safety guidelines for TB laboratory workers, which

ZdravReform used to develop and print 1,000 sets of three TB laboratory safety posters. These posters will be distributed to CAR TB laboratories.

- To further the implementation of the tuberculosis DOTs program in 17 pilot sites, including Zhezkazgan and Semipalatinsk demonstration sites, the ZdravReform Program supplied the regional TB dispensaries with necessary laboratory equipment, including binocular microscopes, modern chemical balance, reagents and other supplies. The ZdravReform Program continued to support the use of the microscopes given to the 17 TB pilot sites. ZdravReform has arranged a microscope training course for the DOTs laboratory trainers from the National TB Institute. These trainers are now able to assist and monitor microscopy use in the 17 pilot sites. In addition, the microscope supplier (Leica) sent their local representative to Germany for training, and this specialist will be available to provide technical support in all of the DOTs sites. In addition, computer, fax, printer and other office equipment was given to each pilot, in order to support CDC's component of the program- creating a monitoring and evaluation system for the national TB program.
- ZdravReform continues to collaborate closely with Project HOPE on the training of the oblast health care workers in DOTs in the 17 pilot sites which includes Zhezkazgan and Semipalatinsk. The financing of the Project HOPE training and evaluation teams is handled through the ZdravReform office. During the period from October 1998 to June 1999, 745 doctors and laboratorians have been trained in DOTs with the Project HOPE/ZdravReform collaboration. Also, more than 640 teachers, students of medical academies and universities have participated in lectures on DOTs.
- ZdravReform pharmacy specialists collaborated with the Rational Pharmaceutical Management Project's drug tender experts to assist the Government of Kazakhstan in a TB drug tender in June. The tender of \$2 million can be considered a success, since the winning bids included only drugs recommended for DOTs, the drugs are from manufacturers who meet WHO quality level, and the main tender documents and tender procedure were consistent with international tender standards.

6. ARI/CDD

- In February, ZdravReform provided technical assistance to conduct a two-week training course in ARI and CDD for 40 health professionals. The health professionals included the newly established Chairs of Family Medicine and students from Kazakhstan's six schools of medicine. The course presented modern ARI and CDD treatment protocols, evaluation and classification of infected children, and studies of treatment in various settings.
- In June, the ZdravReform Program organized a two-week training in ARI/CDD for doctors from Zhezkazgan FGPs. The training was conducted by the master trainer from the ZdravReform Karaganda ARI/CDD training program. ZdravReform distributed copies of the WHO/UNICEF manuals and treatment schemes to all participants.

7. Integrated Management of Childhood Illnesses (IMCI)

- ZdravReform continues its collaboration with WHO on the adaptation and introduction of IMCI in Semipalatinsk City. A facilitator-training course was conducted February 8-12, 1999, in which seven facilitators were trained, using the adapted IMCI modules and facilitator's guides, as well as clinical practice. A participant training course for 18 people was then conducted February 14-26, 1999. This was the first course conducted for local participants, and showed that the course content and standard training methodology. In addition, ZdravReform funded

the costs of two of the facilitators who participated in the Enbekshi pilot training which UNICEF is sponsoring. These two facilitators received some additional experience in training.

- ZdravReform participated in the meeting on the results of the monitoring and evaluation visit that WHO conducted in April in Semipalatinsk.
- In May, 36 family doctors from Semipalatinsk City received the 2-week training on IMCI from trainers previously trained in February and last year's courses.
- Plans are to continue support of four more IMCI courses and 5 monitoring and evaluation visits.

8. Reproductive Health

- In February, ZdravReform conducted a two-week training seminar on reproductive health issues. Approximately 40 health professionals from the Medical Academies and the Chairs of Family Medicine participated in this seminar. Topics of discussion included reproductive health and family planning, the principles of consultation, clients' rights, hormonal contraceptives, IUD, and STIs. The last day of the seminar was devoted to practical experience.
- Based on ZdravReform recommendations, reproductive health services have recently been integrated into the FGPs in Semipalatinsk. The FGP gynecologists now provide basic reproductive health care and prenatal care, under the supervision of Maternity Home obstetricians, to the FGP populations. To facilitate this integration and begin the process of cross-training specialists within the FGPs, Semipalatinsk City's association of gynecologists conducted a one-week training course in gynecology for FGP therapists.
- To strengthen the integration of reproductive health services into primary care, ZdravReform requested contraceptives from USAID for FGPs in the Zhezkazgan, Satpaeva and Semipalatinsk health care reform sites. In May, Zhezkazgan and Satpaeva FGPs received 5,000 IUDs, 5,200 injectables, and 19,200 packs of oral contraceptives. This humanitarian aid shipment was valued at approximately 20,000 USD. Semipalatinsk FGPs received 20,000 IUDs, 20,000 injectables, and 56,400 packs of oral contraceptives. This humanitarian aid shipment was valued at approximately 73,000 USD.
- From June 14 to the 20th, 25 family doctors from Zhezkazgan and Satpaeva Cities participated in a family planning course, sponsored by ZdravReform. The trainers were again from CAMPA. The curriculum was the same as the February course. Since USAID/Zdravreform began integration of reproductive health into primary care in this pilot site, nearly all the FGP doctors in Zhezkazgan and Satpaeva have been trained in a 5-day family planning course based on AVSC or JHPIEGO material.

9. Sexual Transmitted Infections

- ZdravReform sponsored a seminar for 26 health professionals on the WHO recommended syndromic case management of sexually transmitted infections (STIs). Case studies from international experience have shown that syndromic treatment is a cost-effective way to reduce the prevalence of STIs, and to integrate the management of STIs into primary care.
- A group of specialists, including representatives from UNAIDS, the Almaty STI Research Institute and the ZdravReform Program conducted a joint visit to Zhezkazgan in January to explore the possibility of using Zhezkazgan as a pilot region to implement case management of STIs in FGPs. The team visited three FGPs, the STI dispensary, and city health officials. A follow-up visit was made in

June, and discussions will continue at the national level in Almaty over the next few months. Shifting STI case management to the primary care sector has met with some resistance from the STI dispensary system, which may become obsolete if such reforms are successful.

10. Infection Control

- The ZdravReform Program sponsored 8 representatives from FGPs and SES departments in Zhezkazgan and Semipalatinsk to participate in a three-day infection control seminar conducted by the American International Health Alliance (AIHA) in Almaty. This seminar focused on nosocomial hospital infections and modern infection control practices.

LLR 3.2.1.2 NGOs facilitate implementation of health sector reform

Indicator: - Increased number of health sector NGOs

This section details activities related to the development of health sector NGOs and the provision of services to their membership.

1. Zhezkazgan FGPA

- The Zhezkazgan FGPA continues to become more active in supporting their members to strengthen their clinical skills. In January, with technical assistance from the ZdravReform Program, the Zhezkazgan FGPA developed a FGP physician training program in neurology to be implemented this year. The Zhezkazgan FGPA also signed an agreement with the Karaganda Medical Academy to train FGP physicians on otolaryngology, children's neurology and psychiatry, which will be financed by a grant the FGPA received from the Soros Foundation.
- To support the development of FGP management skills, the Zhezkazgan FGPA arranged with Zhezkazgan University to provide accounting training to FGPs.
- The Zhezkazgan FGPA was instrumental in lobbying government officials to maintain the primary care financing reforms following the cancellation of the mandatory health insurance system at the end of 1998. The FGPA lobbied for stable monthly financing of FGPs based on a capitated payment system; continued authority to spend funds according to FGPs internal needs; and FGPA involvement in the development of any regulations and penalties pertaining to FGPs. As a result of these efforts, the head of the Karaganda Oblast Finance Department informed the group that the per capita payment system would be preserved, and 1998 debts, salaries and payroll payments would be paid according to the schedule.
- The overall lack of financing of the primary care sector that initially followed the closure of the Mandatory Health Insurance Fund threatened the financial sustainability of the FGPA, as the FGPs were unable to pay their membership dues. ZdravReform and the FGPA worked together to find short-term solutions to this problem, such as alternative temporary sources of financing, while the longer term financing issues were resolved.

2. Satpaeva FGPA

- In January, with the technical assistance of ZdravReform, the Satpaeva FGPA developed a 1999 training program and workplan for clinical training for FGP physicians.

3. Semipalatinsk FGPA

- The Semipalatinsk FGPA continues to work actively with city health officials to raise the profile of primary care both among specialty health care providers and the

public. The FGPA, together with the City Health Department, initiated a weekly community outreach program called “Family Doctor Day.” Each Thursday, the FGP staffs meet with groups of specialists or patients’ associations, such as the Association of Diabetics, to discuss ways to increase the involvement of family doctors in health promotion and the full range of patient care.

- In February, a ZdravReform team held a meeting with Semipalatinsk FGPA representatives to discuss the ongoing financial crisis. The FGPA concluded that FGPs and the Association are finding ways to continue to strengthen their services without significant additional financing, such as continuing to work actively with their populations, organizing and participating in clinical training courses, and expanding the range of services available to the populations.

4. Semipalatinsk Nurses Association

- The Semipalatinsk Nurses Association conducted a 144-hour training cycle in family practice nursing for 15 nurses from the city’s FGPs. The nurses paid a nominal fee to participate in the training course. A second cycle is planned for the remaining FGP nurses.

5. Abt Associates evaluates NGOs in Kazakhstan and Kyrgyzstan

- The Partnerships for Health Reform (PHR) is a global USAID-funded health reform project implemented by Abt Associates. One of the PHR programs conducts research on selected topics of worldwide relevance to health reform. One such research topic funded by PHR is the role of NGOs in health reform. During this 6-month period, a PHR team traveled to Central Asia to study the role of NGOs in health reform in Kazakhstan and Kyrgyzstan. The findings and recommendations were made available to USAID, implementing partners, and local counterparts in the CAR region.

LLR 3.2.1.3 Increased consumer choice in market based health system

Indicator: - Percentage of population enrolling in their primary care practices

This section describes activities related to the enrollment of the population in FGPs, including public awareness campaigns informing the population about the health reform and their right to free choice of FGP, and marketing campaigns culminating in the enrollment of the population. Also included are activities related to operational aspects of enrollment and the development of a population database.

1. Semipalatinsk City Enrollment Campaign

- The ZdravReform Program continued to provide technical assistance to the City Health Department and Center for Health Purchasing to enter data from the administrative enrollment campaign conducted from October to December, 1998. During this enrollment, which is a baseline enrollment, FGPs enrolled their population according to newly drawn FGP catchment areas. The enrollment campaign involved FGP staff going door-to-door to ensure that their entire population was enrolled and informed about the primary care reforms. The administrative enrollment is a precursor to open enrollment, which will be implemented in Semipalatinsk City at the end of this year.
- The population database will be used to pay the FGPs according to the capitated payment system. It will be adjusted quarterly for births, deaths and migrations, and again after each open enrollment. As of the beginning of February, records for approximately 225,000 of the city’s 300,00 residents have been entered into the database. A ZdravReform computer specialist provided the City Health

Department with a demographic analysis of the city's population and that of each FGP.

- In February, the Semipalatinsk Akimat expressed concerns about being able to finance all 29 FGPs in the face of the current financial crisis, and asked ZdravReform for technical assistance to rationalize the primary care sector. The ZdravReform Program presented alternative proposals that would allow possible rationalization and consolidation of the primary care sector through per capita payment, free choice and open enrollment rather than administrative closures. In addition, a ZdravReform legal consultant presented a legal analysis of health facility rationalization, including obligations to released labor, under scenarios of administrative and market-driven rationalization. Based on ZdravReform recommendations, the City Akimat and Health Department decided to maintain the current number of FGPs and allow per capita payment and open enrollment to determine the structure of the primary care sector in the next phase of reforms.

2. Zhezkazgan Open Re-enrollment

- Last November, Zhezkazgan held a 10-day open enrollment campaign to give the population the opportunity to change their FGP. The re-enrollment required very limited technical assistance from ZdravReform, demonstrating that FGP enrollment is becoming institutionalized in Zhezkazgan.
- In January, the enrollment changes were entered into the population database, and the results of this second campaign were analyzed with ZdravReform assistance. The analysis was presented to the FGPs, health authorities, and the public in March. Because the FGPs are financed by a capitated payment system, re-enrollment led to changes in some individual FGP budgets. This is an important incentive for FGPs to maintain high levels of quality of care and patient satisfaction to maintain their clientele.

3. Satpaeva Enrollment Campaign

- Since the open enrollment in Satpaeva in 1998, data has been entered into the information system to create a population database. From this database, the number of enrollees of each FGPs is being analyzed and used to derive each practice's total budget under the capitated payment system.

LLR 3.2.1.4 Increased efficiency and accountability of health care system

Indicators: -Increased percentage of health care providers reimbursed by market-orientated payment systems

This section describes activities related to the development and implementation of new provider payment systems, specifically case-based hospital payment system for hospitals, capitated rates for FGPs, and fee schedules for polyclinics. This section also includes activities related to the development of information systems required by the health purchaser to operate the new provider payment systems.

1. Transition from Mandatory Health Insurance Fund to Center for Health Purchasing (CHP)

- The system of mandatory health insurance was canceled in December 1998, following a Cabinet of Ministers decree. The system was reorganized into the Center for Health Purchasing according to a January decree of the Ministry of Health, Education and Sport. The ultimate role of the Center for Health Purchasing remains in question, however, as health care financing was returned to the general budget with the closure of the MHI Fund. As the general budget is administered at

the local level, there is very little opportunity for a national institution such as the CHP to implement or even influence health financing policy. The ZdravReform Program continues to analyze the implications of these policy changes for the implementation of new health provider payment systems at the oblast and national levels. (For more detail, see **LLR 3.2.3.2 National legal, regulatory and policy framework established**).

2. CHP- ZdravReform Program National-Level Working Group

- The ZdravReform Program and the National CHP established a joint working group to develop implementation plans and procedures for new provider payment systems. In January, the working group had a joint session to discuss the new clinical information forms and clinical statistical groups for the hospital payment system. Tasks and responsibilities were assigned to draft implementation plans.

3. New National Hospital Payment System

- The ZdravReform Program continued to prepare the foundation for implementation of the new national hospital payment system. Together with the Committee on Health and the National Center for Health Purchasing, ZdravReform conducted 5 seminars, one national level and four regional level, to train representatives from all 14 oblasts, Astana and Almaty City in the new system. The hospital payment book that was developed by ZdravReform in the last period was distributed during these seminars.
- As part of the national implementation plan for the new hospital payment system, Almaty City was chosen as a demonstration site to implement the new system. This demonstration is the first step toward gradual nation-wide implementation. ZdravReform assisted the National CHP and the Almaty City CHP to prepare for implementing the new hospital payment system. ZdravReform presented the two organizations with key documents that include the conceptual framework for the case-based payment system, draft regulations to implement the case-based payment system, a description of the necessary information system, data forms, code book, and the standard facility cost-accounting regulations.
- A joint implementation plan between the National CHP, Almaty CHP and ZdravReform was developed. It was agreed that ZdravReform will develop the financial and administrative rules, while an Almaty CHP specialist will design the information flows. In addition, the automated systems department of the CHP is responsible for interacting with pilot health facilities and other oblast health purchasing centers. This plan set clear parameters for all to work together without duplication of efforts.
- In February, ZdravReform worked closely with the Almaty City CHP to begin implementing the new hospital payment system. The Almaty City General Hospital and Almaty City Children's Hospital were identified as pilot data entry sites. ZdravReform provided two training seminars to explain the details of the information systems and to install the data entry programs on the City Health Purchasing Center's computers.
- In March, training continued with the Almaty City CHP on the data entry computer program. A ZdravReform team tested the computer program and developed instructions for data entry operators. In addition, the operators gathered patient discharge data for the past month and started to input the information into the computer program. From this data, reports will be generated for each facility on overall cost analysis, an assessment of hospital performance, budget forecast, and a plan for improving the management of the hospital's resources.

4. New National Outpatient Specialty Payment System

- At the request of the National CHP, the ZdravReform Program began the development of a concept for a new payment system for all outpatient services, including both primary care and specialty services. The ZdravReform Program produced a concept document, which outlines a detailed approach for expanding per capita payment for primary care and implementing a fee schedule for outpatient specialty services. The concept document was distributed to the National CHP, Committee on Health and oblast specialists for review.
- As part of the development of a plan to implement a new national outpatient payment system, ZdravReform specialists developed a draft fee schedule for specialty services based on experience in Zhezkazgan and additional data collected from a polyclinic in Almaty City. In addition, ZdravReform developed an information system, including forms, a database program and an information flow scheme, to support the implementation of the fee schedule.
- ZdravReform developed a plan jointly with the National CHP to test the draft fee schedule and information system in polyclinics in Semipalatinsk, Zhezkazgan, Karaganda and Astana. A prekaz was signed approving the fee schedule and information system for the purposes of the experiment.
- The experiment began in the Semipalatinsk Diagnostic Center in June, and will be phased in to the other three sites during the next several months. The ZdravReform Program and the National CHP conducted introductory seminars in Semipalatinsk and are supervising data collection and entry. Data have been collected and entered on more than 1,600 outpatient specialty visits in the diagnostic center. Analysis of the data and expansion of the experiment to the other regions will take place during the next period.

5. Primary Care Capitated Payment System in Semipalatinsk City

- According to the primary care reform plan for Semipalatinsk City that was developed with ZdravReform assistance and signed by the National Committee on Health and the Akim of Semipalatinsk City in May, per capita payment should be implemented for FGPs during this year. Furthermore, the plan specifies that not less than ten percent of the city health budget should be allocated to primary care. These payment reforms have been delayed, however, due to the national level changes in health financing that have caused confusion and disruptions at the local level. The ZdravReform Program continues to work closely with the Semipalatinsk officials to adapt local financing reform plans to the rapidly changing national policy environment, and it is likely that per capita payment will be implemented for the Semipalatinsk FGPs in the next period.
- During this period, ZdravReform worked with the Semipalatinsk City Health Department and CHP to conduct a primary care survey to gather baseline data on services provided by urban FGPs and to develop age/sex adjustment coefficients for the primary care capitated payment system. Data on every primary care patient visit were collected over a two-week period in seven urban FGPs. The data on these 13,000 visits were entered and will be analyzed with ZdravReform assistance to develop age/sex adjustment coefficients during the next period.

6. Hospital Payment Reforms in Zhezkazgan

- As part of ongoing rationalization and downsizing of the hospital sector, the Zhezkazgan Regional Health Department (RHD) recently transformed 1,181 hospital beds into fee-for-service beds. The fee schedule for these beds is based on clinical statistical groups created with technical assistance from the

ZdravReform Program. This results in 20 percent of hospital beds in Zhezkazgan being paid directly by market-orientated payment systems.

7. Zhezkazgan Center for Health Purchasing

- Following the cancellation of mandatory health insurance and the transfer of financing authority to the CHP, the Head of the Zhezkazgan Health Department and the Zhezkazgan and Satpaeva FGPA presidents negotiated an agreement with the Center for Health Purchasing to continue to pay FGPs based on a capitated payment system, according to the number of population enrolled.
- In March, the CHP started financing the Zhezkazgan and Satpaeva FGPs, but at a reduced capitated rate. The capitated rate provided by the CHP is only approximately 60 percent of the rate paid previously by the Mandatory Health Insurance Fund, and covers only salaries and payroll taxes for the FGPs. In addition, the CHP has not given authority to the FGPs to decide how to allocate these funds. The ZdravReform has been working closely with the FGPA and the CHP to solve these and other problems by adapting local financing reforms to the new institutional structure of the CHP.

LLR 3.2.1.5 Modern management techniques and clinical practices adopted

Indicator: - Increased number of health care facilities in oblasts using modern management techniques and clinical practices.

This section details activities related to facility level management information systems and management techniques. It should be noted that historically the incorporation of family planning and infectious diseases into FGPs had been reported here. Beginning with this report, these activities are reported under the new indicator FGP expansion of scope of services, established in December 1998 (under **LLR 3.2.1.1 Strengthening primary health care**).

1. Practice Manager Training in Zhezkazgan

- In February, Shawn Malacher, a Peace Corps Volunteer collaborating with the ZdravReform Program, began a training program for 18 practice managers from Zhezkazgan and Satpaeva. The curriculum included theoretical and practical training on computers, management techniques, analysis of statistics and epidemiological data, and the use of international health indicators. The 18 practice managers successfully finished the first phase of training in computers at the end of February. These practice managers began the second phase, "Management in Health Care" in March. For this phase, Ms. Malacher arranged to have another volunteer, Ben Peters, a university instructor specializing in health management, to present part of the course lectures. The third training phase, "Statistics and Epidemiology," began in April and was completed in May.
- The ZdravReform Program continues to provide assistance to the FGPs to develop the role of practice managers. Recently, ZdravReform assisted FGPs to resolve a conflict between new practice managers and head physicians. Practice managers, many of whom are re-trained head physicians, were dissatisfied with salaries that were significantly lower than the head physicians of the practices. Managers and head physicians have now agreed to equal salaries. This solution will strengthen relations between managers and head physicians, and they will be able to present to the public a cohesive FGP team.

2. FGP Business Plans in Zhezkazgan

- The FGPs in Zhezkazgan are required to submit FGP business plans to the Regional Health Department (RHD) as a routine reporting requirement. This year, because of the severe financial crisis, the RHD required that these plans demonstrate that the FGP will generate 30 percent of the practice's revenue from paid services. ZdravReform provided technical assistance to the practice managers to develop business plans that meet both the demands of the RHD and the principle of free primary health care for the population.
3. Practice Manager Training in Semipalatinsk
- Following ZdravReform's 1998 2-month training course for new practice managers in Semipalatinsk City, ZdravReform enrolled the new managers in an official government accounting course, which ended in January.
 - Following the formal training program, ZdravReform staff has provided ongoing support to the new practice managers in Semipalatinsk through weekly meetings to answer questions the managers encounter during their first months of practical work. Specialists from the city's accounting, medical statistics, and legal departments have been invited to the seminars to clarify procedures and answer questions. This intensive follow-up allowed the practice managers to receive immediate feedback on their fieldwork.
 - Based on feedback from the practice managers on their training needs, ZdravReform organized a training course for the 29 practice managers on medical statistics and reporting, which was delivered jointly by the Semipalatinsk Medical Academy, Bureau of Medical Statistics and Center for Health Purchasing.
4. FGP Information System in Semipalatinsk
- The ZdravReform Program worked with the Semipalatinsk MHI Fund to finalize a model for a primary care information system for the urban FGPs. The model is completed and will be introduced, as computers become available for the FGPs.
5. Pharmacy Management
- In January, ZdravReform collaborated with the Rational Pharmacy Management project to conduct a regional workshop on drug procurement and tendering. This seminar included 40 participants from all CAR, and emphasized the procurement of tuberculosis drugs. ZdravReform provided technical assistance in planning and conducting the workshop.
6. Health Information Systems Study Tour
- In June, ZdravReform organized and sponsored a US study tour for 35 Central Asian counterparts in health information systems management. The trainees spent two weeks in the United States, during which they visited government and private organizations that develop information systems and use these systems in healthcare insurance decision making. The trainees are expected to use their study tour experience to refine and better use information systems already created with ZdravReform's assistance.

IR 3.2.3 Cost-effective health sector reforms adopted nationally

LLR 3.2.3.2 National legal, regulatory and policy framework established

Indicator: National legal, regulatory and policy framework for health sector embodies reforms

1. National Institutional Structure: Transformation of Mandatory Health Insurance System into Center for Health Purchasing

- The system of mandatory health insurance was canceled in December 1998, following a Cabinet of Ministers decree. The system was reorganized into the

Center for Health Purchasing (CHP) according to a January decree of the Ministry of Health, Education and Sport. This decree, which establishes the CHP's authority to finance health care facilities, was drafted with technical assistance from ZdravReform.

- Even with the establishment of the CHP, macrofinancing issues, such as the flow of health care funds, have been disrupted since the closure of the MHI fund, as all health care financing was returned to the general budget, which is administered at the local level.
- On January 27, a list of free guaranteed benefits funded from the republican and local budgets of 1999 was approved. The draft of this prikaz was written with USAID ZdravReform, but unfortunately, the final prikaz differs tremendously. The final prikaz which did not receive our input has been heavily criticized at the COH.
- Following his re-election on January 10, President Nursultan Nazarbaev made appointments to cabinet positions, and Tolebai Rakhimbekov was officially re-appointed as Chairman of the Committee on Health of the Ministry of Health, Education and Sport. This is positive, as Dr. Rakhimbekov has been a long time supporter of health reform, including leading the effort in Zhezkazgan.

3. Legal Analysis

- ZdravReform assisted the Ministry of Health, Education and Sport to analyze new health-related government decisions, laws and decrees. ZdravReform has collected data, conducted interviews with counterparts, and investigated the legal issues relating to the broad healthcare changes that have taken place since the beginning of 1999. A report entitled "Description of the Most Recent Fundamental Changes in the Legal Environment for Health Reforms" was produced and distributed to counterparts. The initial response from counterparts indicates that the report is very useful for understanding the complexity of the latest changes in the health sector. After receiving counterparts' comments, the report was revised and finalized.

4. Policy Dialogue

- ZdravReform meets regularly with the Chairman of the Committee on Health and the Director of the Center for Health Purchasing to discuss technical assistance to continue the roll out of national health reforms in the rapidly changing national policy environment.

5. Health Care Reform Symposium

- A symposium, "Social and Economic Aspects of the Health Care Reform in Kazakhstan," was held in Astana, May 26-27 which was organized by the GTZ. Many of ZdravReform's major counterparts took part in the symposium and delivered reports. The counterparts included T. Rakhimbekov, L. Tarasova, N. Khe, T. Zakrzhevskaya from Kazakhstan, and T. Meimanaliev from Kyrgyzstan.

LLR 3.2.3.2 Project products disseminated and public awareness raised

Indicators: Public, health professionals and policymakers awareness of health reforms and health issues increased by public information campaign and information dissemination.

1. Media Coverage on Health Care Reforms in Zhezkazgan

- Journalists from four television stations (Khabar, Rakhat, KTK, 2030) and two newspapers (Novoe pokolenie, Egemeni Kazakhstan) interviewed Zhezkazgan FGP members, physicians, and patients about the future of healthcare reforms. The interviews showed that the general population is pleased with the progress of reform and the increased quality of family medicine. Many people believe that the

treatment of diseases through FGPs is creating competition among the physicians. This benefits the public because FGP physicians must provide quality family healthcare to maintain their clientele.

2. President Nazarbaev Publicly Supports Health Reforms and Family Doctors

- In three March television interviews, President Nazarbaev said that after visiting several patients in Astana, he believes the country is proceeding in the right direction with health care reforms that emphasize primary care treatment. President Nazarbaev noted the family doctor as the responsible for treating individual illnesses, the whole individual, and families.

3. Center for Healthy Lifestyles

- The six-month healthy lifestyles journalist campaign ended January 27, 1999 with a ZdravReform press conference. Certificates, diplomas and special mentions were awarded to several Kazakhstan journalists. In addition, a beautiful silver trophy was awarded by the Ministry of Health, Education and Sports to Alfia Mufteeva, the journalist who most effectively promoted health through her monthly newspaper articles. Ms. Mufteeva also was the only journalist to win the monthly competition twice.
- The government, the Center for Healthy Lifestyles, and USAID were all very pleased with the success of the first six-month campaign. Therefore, the second journalist campaign is continuing nationally through 1999. There is a three-month time block for each theme: Tuberculosis was the theme from March to May; infectious diseases (ARI, CDD, Hepatitis A, and STIs) is from June to August; and the last months will be devoted to safe motherhood. As an example, for the first theme, tuberculosis, ZdravReform provided videos and written materials about TB to 11 cities throughout Kazakhstan. These videos were aired four times per week from March to May.

4. Academy for Educational Development (AED)

- USAID ZdravReform program provided AED with a list of 23 participants from the five CAR countries to participate in a Health Promotion study tour in Budapest, Hungary. This study tour highlighted the importance of the population's health status, the role of health promotion, the institutional structure of health promotion, and the possible models of health promoting interventions. The participants conceptualized the national strategic plan for health promotion based on local needs and resources and tried to understand the health promotion roles of national health promotion centers, governments, local governments and non-governmental organizations.

5. "Time to be Healthy" newsletter

- The first issue of "Time to be Healthy" regional informational bulletin was distributed across Kazakhstan, Kyrgyzstan, and Uzbekistan in January. This issue contained information about the ZdravReform program, introduction of FGPs, freedom of FGP choice for patients, FGPs' legal basis and examples of FGP laws, and the importance of professional organizations such as FGPA in the health reform process. In addition, there was a list of additional related articles that are available upon request.
- The second issue of "Time to be Healthy" was distributed in March. This issue contained information about FGPs' integration of vertical programs, such as tuberculosis, reproductive health and STIs. There also was a list of additional related articles that can be requested.

- The third issue of “Time to be Healthy” regional informational bulletin was distributed across Kazakhstan, Kyrgyzstan, and Uzbekistan. This issue contained information about hospital associations, health facility licensing and accreditation, and health facility rationalizations.
- In Kazakhstan, ZdravReform began distributing “Time to be Healthy” in Semipalatinsk and Zhezkazgan, plus 12 other cities. ZdravReform was very pleased to receive phone calls from these other cities (where our activities are not concentrated) requesting additional copies of the newsletter plus other technical materials offered on the back cover of each newsletter. This demonstrates wide spread interest in health reform, and in the ZdravReform Program.

6. Health Marketing Communication Plan

- In June, a ZdravReform consultant provided assistance to the Commercial Marketing Strategies (CMS) project and Zdravreform on drafting a collaboration plan for integration of health topics from ZdravReform’s communication plan into the workplan of the CMS Hotline. Also, the ZdravReform communication plan was finalized at this time.

7. Tuberculosis

- ZdravReform designed and produced a brochure that explains tuberculosis, main symptoms of tuberculosis, tuberculosis prevention, and tuberculosis treatment for distribution in FGPs. The main purpose of brochure is to educate the public. Three artists submitted draft artwork for the brochure. Then ZdravReform organized a public focus group to test the brochure’s understandability and organization. The focus group results were analyzed and the brochure changed. Approximately 400,000 copies in Russian, Kazakh and Kyrgyz have been printed and were distributed in Kazakhstan and Kyrgyzstan.
- In May, ZdravReform help organized a press conference to officially present the USAID financed TB laboratory and office equipment to the Kazakhstan Government. This event is a part of the Kazakhstan and United States Government joint initiative to decrease morbidity and mortality due to tuberculosis in Kazakhstan through the implementation of the WHO - recommended DOTS.

8. FGP Design

- ZdravReform started preparing a video about appropriate designs of FGPs. This video will be used to train new family physicians by showing examples of FGPs and by opening dialogue between instructors, physicians and architects about adaptations on each individual clinic. In April, the script for the video was written and edited, filming location was decided, and several bids from production companies were collected. ZdravReform began filming the video in June.

9. Safe Motherhood

- ZdravReform regional marketing team also started working on a series of 10 videos about safe motherhood. The collection of videos deals with all aspects of pregnancy, from planning to the care of a newborn. The videos will be from a man's point of view, showing his thoughts and feeling while his wife is proceeding through her pregnancy. It will emphasize the different stages of pregnancy and how the husband can help during each stage. The script has been approved by the Ministry of Health, Education, and Sports.

9. Healthy Children

- The final draft of the “Keeping Children Healthy” brochure was completed after considerable technical discussion, and input from international children’s health experts from UNICEF, WHO and from the leading country experts in Kazakhstan

and Kyrgyzstan. The brochure is in the process of being printed and should be available in July for distribution.

LLR 3.2.3.3 Increased adoption of successful demonstration interventions in other oblasts

Indicator: - Number of oblasts in which successful pilot projects are rolled out.

1. World Bank Health Sector Project Launch

- The ZdravReform Program provided assistance to the Semipalatinsk City Akimat (Mayoral department) and Health Department during the April World Bank Health Sector Project launch mission. In preparation for project launch, ZdravReform organized a working group to develop a detailed workplan for the continuation of urban primary care reforms. The plan, which is part of the conditions of the World Bank loan, outlines the next steps for strengthening new FGPs, implementing a capitated payment system, and establishing a unified health information system for the City Health Department, Center for Health Purchasing and the Bureau of Medical Statistics. The plan was approved and signed by the Semipalatinsk City Akim, the Chairman of the Committee on Health, and the General Director of the Center for Health Purchasing.
- The plan for continuing reforms continues to place primary care at the top of the city's health reform agenda, and specifically stipulates that not less than 10 percent of the city health care budget will be allocated to primary care.
- Cheryl Wickham, ZdravReform Deputy Director, represented USAID/ZdravReform on the World Bank Kazakhstan Health Sector project launch and supervision mission from April 18-30. The goal of the mission was to initiate the World Bank-funded project and assess the progress to date in preparation for implementation. ZdravReform health economist Olga Zuss and computer specialist Gennady Simakov also participated on the mission.
- The main findings of the mission are described in detail in the World Bank Aide Memoire and the ZdravReform report "Policy Environment for Implementation of Health Reforms in the Pilot Oblasts of the World Bank-financed Health Sector Project." The results of the mission can be summarized as follows:
 - (1) the national level health financing policy environment is changing rapidly, and it will be extremely important to coordinate national and oblast level policy processes during for successful project implementation
 - (2) the necessary conditions for project implementation (restructured primary care sector and unified health care budget) have thus far only been met in Semipalatinsk City.
- Based on the findings of the mission, the ZdravReform team recommended that the World Bank project be phased in starting in Semipalatinsk, while the remaining project regions continue to put the necessary structure in place. Also, since Semipalatinsk has already completed primary care restructuring and is implementing new payment systems, it is urgent that clinical strengthening, through equipment and training, be procured as soon as possible under the World Bank project. If restructuring and new financial incentives are implemented without giving the primary care sector the clinical tools to provide more and better services, the reforms will fail to meet their objectives. The World Bank agreed with these recommendations and communicated them through a letter to the Chairman of the Committee on Health.

2. Roll-out of Primary Care and Provider Payment Reforms to Karaganda Oblast

- Significant progress was made during the first half of this year in rolling out Zhezkazgan provider payment reforms to Karaganda Oblast.
- The entire primary care system in Karaganda City was restructured into independent primary care practices. An administrative enrollment campaign was conducted and the population registered in FGPs according to location.
- Karaganda Oblast is the only oblast in Kazakhstan that has passed legislation mandating that “GosZakaz” be implemented in a way that is consistent with new provider payment reforms.
- Currently, all hospitals in Karaganda Oblast are paid according to a DRG-like case-based payment system, polyclinics are paid according to a fee schedule, and primary care practices are paid according to a per capita payment system.
- The Karaganda Center for Health Purchasing has agreed to use a single base rate throughout the oblast for the hospital payment system. This pricing policy creates the conditions necessary for competition among hospitals in the oblast, as all hospitals receive the same price for a similar case, allowing competition on quality and customer service.

Kyrgyzstan detailed Program Activities by Intermediate Result
from January 1, -June 30, 1999

IR 3.2.1 Cost-effective health care services demonstrated in selected oblasts

LLR 3.2.1.1 Strengthening primary health care

Indicators: Increased number of independent primary care practices
Percentage of primary care practices with expanded scope of work services

1. Family Medicine Training Centers (FMTCs)

- From January, the ZdravReform-supported FMTC in Bishkek continued the Training of Trainers program for family medicine trainees in collaboration with the World Bank. The family medicine trainees receive continuous (every day) theoretical and practical training including seeing patients at the FMTC's in Polyclinic #1 and Polyclinic #6. There were 20 family medicine trainees in the second year class which concluded in the spring with examinations. Eight out of ten trainees passed meaning they are now certified as Family Medicine Specialists. In May, the Bishkek FMTC began a new training of trainers class (the third year class) in family medicine for 11 newly-selected family medicine trainers. Plans were finalized to move the FMTC to a permanent, long-term location and this move will be concluded early this summer.
- Over the last six months, the ZdravReform-supported FMTC in Bishkek continued theoretical and practical family medicine training for 1,100 Family Group Practice (FGP) physicians, and 1000 FGP nurses. The training includes four cycles with four shifts since it is physically impossible to train all the health professionals at the same time. Each month, family medicine trainees receive approximately 28 hours of theoretical classes, 4 hours of clinical seminars, and several hours of clinical conferences or hands-on practice.
- The Issyk-Kul Oblast (IKO) Family Medicine Training Center Affiliate trained 181 IKO Family Group Practice physicians in the first, second and third terms of the third training cycle, January through March. During this cycle, the IKO FMTC Affiliate Clinical Director introduced changes in training to reflect the FGP physicians' responsibilities to provide quality and preventative services to their enrolled population. In collaboration with the Bishkek FMTC, the Issyk-Kul FMTC Affiliate developed the curriculum for the second phase of oblast FGP physician training, which began on April 12. Training continues with thirty-five IKO FGP doctors being trained in family medicine with special lectures in trauma, psychiatry, and narcotics. The year's training also includes information on finance and management topics as well as Health Insurance Fund regulations.
- Dr. Begiam Akmatova was instated as the FMTC Osh Affiliate Head in March. Further, the Osh FMTC Affiliate included family planning training by the USAID/SEATS project in their second cycle of training for 63 Osh and Jalal-Abad FGP physicians. ZdravReform collaborated with SEATS by facilitating logistics for this training. By May, 100% of FGP doctors in Osh City had undergone the first phase of family medicine training.
- In April, the FMTC Osh Affiliate relocated to the Osh Central Multi-Profile Polyclinic from the Londa Taylor Humanitarian Clinic. The ZdravReform architect drew up a plan and a schedule for renovations of the FMTC Osh Affiliate. ZdravReform assisted in renovating and repairing the FMTC Osh Affiliate's new location in the Central Polyclinic. The FMTC's will be located on the polyclinic's

third floor. Trainees will be able to see patients as part of their training at the four FGPs within the polyclinic.

- The Asian Development Bank Project contains a very limited investment for family medicine training. ZdravReform is working with the ADB Project to ensure that investments in renovations, equipment, and direct training costs are coordinated in terms of both funding and timeframe, as the ADB Project is not yet effective.
- In June, USAID/ZdravReform financed a trip to St Petersburg for the 3 FMTC heads. The FMTC received information on Family Medicine and on issues connected with training and retraining doctors.

2. Nurses' Training

- Family Medicine training for FGP nurses was initiated over the last six months, as clearly a FGP can't practice family medicine without the involvement of nurses. Since January, 1,000 Bishkek City and Chui Oblast FGP nurses have been trained in family medicine through the Bishkek FMTC by MOH chief nurses, the Post-Graduate Institute, and American nurses. Nurses are instructed through lectures, seminars, and clinical and laboratory work. In May, the Bishkek FMTC tested nurses-in-training for certification in family practice medicine. Nurses had to show proficiency in surgery, midwifery, primary care, health promotion, and pediatrics.

3. FGP Formation

- During the past six months, the ZdravReform architect provided technical assistance in developing FGP material-technical standards for FGPA licensing and accreditation. The location and number of rooms per FGP and the basic examining and ancillary room equipment were specified.
- In April, the FGPA and ZdravReform architects developed methodical recommendations for the appropriate location and layout of FGPs within polyclinics. These recommendations were bound into manuals that the FGPA distributed to FGP heads and Polyclinic Chief Physicians in Osh Oblast.
- In May, ZdravReform architects also presented FGP renovation and space design plans to a visiting Kazakh MOH delegation. The architects showed how FGPs' design better served patients than the standard polyclinic design.
- ZdravReform oversaw renovations to create FGP locations in Jalal-Abad City Polyclinics #4 and #5, in Bazaar Korgan Rayon in Jalal-Abad Oblast, and in Aravan Rayon in Osh Oblast.

4. FGP Development and Strengthening

- On May 12, 1999 Issyk-kul Oblast Administration authorized the Rayon Administrations to transfer property to IKO FGPs. While increasing FGPs' independence from Central Rayon Hospitals, this transfer is also necessary for FGPs to pass the licensing and accreditation process. ZdravReform provided technical assistance to facilitate this transition.
- In February, USAID/ZdravReform consultant George Purvis visited FGPs around Kyrgyzstan and assessed how FGPs manage their health insurance (HI) funds. Mr. Purvis concluded that FGPs had made huge progress in a short period of time, but that they needed additional staff training, equipment and help in developing an appropriate legal framework. Several steps for financial autonomy, organizational/administrative autonomy, and clinical autonomy were recommended. Following Mr. Purvis' advice, USAID/ZdravReform assisted in training and certifying all Issyk-Kul FGP Clinical Heads and Practice Managers in personnel management. This certification represented a step toward IKO FGP autonomy and independence.

5. FGP Licensing and Accreditation

- The process of licensing and accrediting FGP's was initiated by the Licensing and Accreditation Commission in Bishkek City, Chui Oblast, Jalal-Abad Oblast, and Osh Oblast.
- In Issyk-Kul, from June 14-18, 1999, 11 Karakol FGPs and 11 Tuip Rayon FGPs successfully passed licensing and accreditation. In order to receive licensing and accreditation certificates, FGP physicians, nurses and practice managers prepared legal, financial, management, and clinical training documents. From June 28-July 2, the Licensing and Accreditation Committee worked to certify FGPs in Ak-Suu, Djety-Oguz and Ton Rayons.

LLR 3.2.1.2 NGOs facilitate implementation of health sector reform

Indicator: - Increased number of health sector NGOs

1. National Family Group Practice Association (FGPA)

- A January planning session was held in Bishkek between the National FGPA, Issyk-Kul Oblast FGPA Affiliate, Osh Oblast FGPA Affiliate, and the Jalal-Abad Oblast FGPA Affiliate to discuss plans for 1999. All representatives discussed FGP formation, status of association, requirements for FGP licensing and accreditation, FGP technical-material capacity, and future FGPA activity.
- In February, the National FGPA and the Licensing and Accreditation Commission (LAC) developed FGP licensing and accreditation standards and tested them in Jaiyl rayon of Chui Oblast. It also provided a one-day training seminar on FGP formation and the new FGP payment system to the Professional Association of Pediatricians. In April, the national LAC process began. The FGPA affiliates in Issyk-kul, Osh, and Jalal-Abad assisted oblast FGPs in preparing the documents needed for the FGP Licensing and Accreditation process.
- Since January, the National FGPA has met several times with USAID/Counterpart Consortium to discuss Association development and assistance. The two organizations developed a plan of business planning, management, and fund raising seminars that might be provided by Counterpart or other FGPA partner. In February, USAID/Counterpart International conducted a seminar on fund raising for the FGPA. ZdravReform supported the FGPA's participation in this seminar so the Association would receive information to provide for FGPs' financial sustainability.
- The Issyk-Kul FGPA affiliate developed regulation on FGPs' interaction with other health facilities. The IKO FGPA also helped each Karakol FGP and FGP physician develop a "FGP Passport" as required by the Licensing and Accreditation Commission. The "Passport" contains information on the FGP enrolled population.
- ZdravReform and the Osh and Jalal-Abad Oblast FGPA Affiliates continued to facilitate the formation of FGPs in Osh and Jalal-Abad health facilities. From January to March, the FGPA conducted seminars in Karakul Rayon in Osh Oblast and Suzak, Aksy, and Tash-Kumir Rayons in Jalal-Abad Oblast about health reform, facilities rationalization, and family medicine. The FGPA also gathered information about needed furniture, medical and laboratory equipment, and drugs for Osh and Jalal-Abad FGPs. Finally, in February, the South FGPA affiliate received a small 3-month grant from Mercy Corps to provide salaries for three FGP physician trainers in South Kyrgyzstan.

- In April, the FGPA affiliates in Issyk-Kul, Osh, and Jalal-Abad began to collect economic data for the National Healthcare Accounts Database. The FGPA visited all oblast rayons to explain the database structure and use. The FGPA also used these opportunities to give seminars about the health reforms and about the new clinical information forms.
- During May, the National FGPA examined ways of purchasing equipment with Health Insurance Fund monies. The FGPA is organizing FGPs to make group purchases of necessary, yet expensive, equipment. After developing a list of equipment, the FGPA solicited provider bids and submitted these bids to the MOH for approval.
- The FGPA is also organizing distribution of family planning equipment from the USAID/SEATS program. In May, the Jalal-Abad FGPA distributed gynecological mirrors to all Oblast pilot region FGPs (Bazaar Korgon and Jalal-Abad City). SEATS donated the mirrors to increase the quality of family planning and gynecological services provided by FGPs in Kyrgyzstan.
- Also in May, the National FGPA president met with a delegation from Finland and with the WHO-Euro about respiratory diseases and the role of FGPs in their treatment. Again, it appears that the world is interested in the primary care reforms taking place in Kyrgyzstan.
- In June, representatives from the National FGPA, SES, and ZdravReform met with the U.S. Montana National Guard to discuss supporting immunization and primary health care efforts in Kyrgyzstan.
- Also in June, the FGPA and ZdravReform presented Kyrgyzstan's primary care and provider payment reforms to a delegation from USAID/Turkmenistan. Turkmenistan has expressed interest in reforming its healthcare system.

2. Hospital Association (HA)

- During the past six months, the HA has been collecting financial and statistical information about hospitals for the National Health Accounts Database. Specifically in Osh and Jalal-Abad Oblasts, the collection process has clarified questions about the budgeting of oblast health facilities, has assisted the rationalization of hospital beds, and has facilitated forming FGPs from over-specialized health facilities.
- The Osh and Jalal-Abad HA participated in a February Know How Fund seminar about the rationalization of beds and the existing hospital information reporting systems in Kyrgyzstan.
- In April, the HA Osh and Jalal-Abad affiliates helped organize a series of regional seminars about the healthcare budget changes and about the National Health Accounts Database structure. The HA then traveled to all Oblast rayons and cities to explain the new hospital financing to all health facilities personnel.
- Also in April, the HA and the FGPA presented the ZdravReform Program and ongoing reforms to the new Osh Oblast governor. The former Osh governor was appointed Kyrgyzstan's Prime Minister.
- In May, the HA prepared two conferences about general health reform and the reform of primary care in Osh Oblast as part of the President's "Healthy Nation" campaign.

3. Health Promotion NGOs

- In January and February, ZdravReform met with several non-governmental and governmental health promotion organizations. These organizations agreed to coordinate health promotion strategies and their work in the Kyrgyz health reform.

4. FGPs in the Community

- During May, a Djety-Ogyz (IKO) FGP located in a catchment area hospital organized a public arrangement for collecting money from different organizations and community people. The collection fund will be used to repair the FGP building and to prepare FGP for licensing accreditation. This is evidence of FGPs functioning as independent entities, becoming part of the community, and of organizing their own financing strategies.

LLR 3.2.1.3 Increased consumer choice in market based health system

Indicator: - Percentage of population enrolling in their primary care practices

1. Bishkek Enrollment Campaign

- The Bishkek Family Group Practice enrollment, which took place from April 2 to April 24, was a resounding success. Initial results show that over 80% of Bishkek's population exercised its right to choose a FGP. Combined with the Chui enrollment held last fall, more than 1 million people have enrolled in FGP's in the last 8 months.
- USAID/ZdravReform provided Kyrgyzstan's MOH with technical assistance in marketing and conducting the campaign, setting-up enrollment sites, training population registers, and collecting and processing registration forms. Prior to the start of enrollment, ZdravReform refined its recommendations about enrollment rules and the functions of the community Coordination Committees. The Bishkek Health Department subsequently approved these revisions. The enrollment campaign received an enormous amount of exposure through TV spots developed by ZdravReform, TV and radio interviews, newspaper articles, and billboards. During the active enrollment campaign, ZdravReform consultants traveled throughout the Bishkek enrollment sites to troubleshoot where needed.
- ZdravReform also assisted the Ministry of Health in planning the official enrollment opening, at which the US Ambassador and the USAID Country Representative were guests of honor.
- The FGPA and the Jointly Used Systems computer center continued entering the enrollment forms in the computerized population database. This database will provide information about the number of people enrolled in each FGP, will allow new capitated rate FGP payment systems to be implemented, and will be the foundation of a linked national health information system.

LLR 3.2.1.4 Increased efficiency and accountability of health care system

Indicators: - Increased percentage of health care providers reimbursed by market oriented payment systems

1. National Hospital Payment System Under the HIF

- In the hospital payment system, there is a base rate paid to all hospitals for each case. Each case is classified into a clinical statistical group. The base rate is then adjusted by (multiplied by) a relative weight or coefficient for the clinical statistical group. The relative weights for each clinical statistical group vary by the type and severity of the case. The Issyk-Kul demonstration developed Kyrgyzstan's first set of clinical statistical groups which were used to introduce the new national hospital payment system. The new HIF hospital payment system used these 54 groups to pay for 197,000 hospital cases. However, this first set of clinical

statistical groups was not completely appropriate for national use, so USAID/ZdravReform provided technical assistance to refine the clinical statistical groups based on patient-level information contained in the hospital database. In addition, ZdravReform wrote a coding hierarchy computer program for CSG classification for the new, more appropriate set of clinical statistical groups (CSG). The new CSG's were compared with the old CSG's on the ZdravReform-developed HIF database of 47 hospitals' 197,000 case records and bills from September 1997 to December 1998 and found to be stable.

- The new clinical statistical groups consist of about 150 groups which will be used to pay hospitals more accurately and equitably. ZdravReform presented this revision of Clinical Statistical Groups (CSG) to the Ministry of Health (MOH) and the Health Insurance Fund (HIF) at a seminar in January for official approval. The MOH issued a Prekaz approving the refined clinical statistical groups for the national hospital payment system.
- In February and March, ZdravReform took the first steps in the development of an analytical framework to analyze the impact of the new hospital payment system and hospital behavior in the case-based system. ZdravReform and the HIF developed a budget forecast for FY 1999 and calculated the economic parameters of the case-based system, such as the base rate and regional adjustment coefficients.
- In February, the Hospital Association and the Chui Health Department developed a hospital payment strategy and step-by-step implementation plan to incorporate budget funding into the new case-based hospital payment system
- With ZdravReform technical assistance, the HA provided hospital payment system training seminars to 14 city facilities to increase understanding of case-based payment. The HA also worked with three city hospitals to analyze cost accounting and develop base rates.
- In April, the Bishkek City Health Department began the case-based hospital payment system using budget funds. The system was initiated in two pilot hospitals. The base rate was calculated as an average of the two hospitals' budgets. This means that the hospitals are competing with each other directly. Each has incentives to allocate resources efficiently and to attract patients. Four more hospitals will be covered from the second half of the year. While it is a necessary and positive step to initiate the new hospital payment system with budget funds in order to develop operational processes and increase the capability of providers to adapt to the new system, the impact will be minimal until funds are pooled (see pooling of funds section).
- The clinical groups used for payment are the same as the groups used by the HIF, meaning the two systems are consistent. This is very important for continued movement toward a single-payer.
- The information system is also the same as that used by the HIF for its hospital payment system. Clinical information forms or bills are entered at the hospital. Each month, the bills are uploaded into the health information system at the national computer center. Here, the health information system groups each case, determines a payment amount, and submits separate payment reports to the HIF and Bishkek City Health Department. The hospital then receives transfers from the HIF for health insurance funds and from the HD for budget funds.
- ZdravReform provided continuous technical assistance to adapt the health information system to the new clinical statistical groups, improve technical elements of the information system, document the system, and adapt the system so

that separate reports can be created for the HIF and budget funds. This process is an enormous, on-going job which will continue over the next year.

- The national health information center is truly functioning as a fiscal intermediary, capable of running payment systems for different sources of funds. In May, the Jointly Used Systems/National Health Information Center produced the first payment reports for budget funds. Also during May, the director of JUS worked with the IKO Health Department on establishment of the institutional structure for the Issyk-kul Oblast Computer Center.

2. New FGP Payment Systems

- The HIF has stimulated the establishment of FGP's nationwide by beginning to pay a capitated rate to FGP's as they are formed. The FGP payment system formula is a national capitated rate multiplied by the population enrolled in a FGP. If enrollment has not yet occurred in an area, the HIF uses the catchment area population. Over the last six months, the HIF signed contracts and began paying a capitated rate to approximately 290 FGP's in Bishkek City and Chui Oblast. The introduction of HIF capitated rate payment to FGP's was planned to follow the population enrollment in order to reinforce the new financial incentives FGP's face and to give FGP's more resources to provide services for their newly enrolled population.
- Also over the last six months, the HIF began paying a capitated rate to FGP's in the South Kyrgyzstan pilot areas to solidify the formation of FGP's. Work will continue on the operational implementation of this FGP payment system over the next year, as many detailed technical issues still need to be resolved.
- The FGPA, the HIF, and the Bishkek Health Department held two seminars on FGP capitated payments for FGP managers and for polyclinic head physicians, economists, and chief accountants.

3. Pooling Funds and New Provider Payment Systems Using Budget Funds

- The biggest remaining technical issue for health reform in Kyrgyzstan is pooling funds. Until funds are pooled and new provider payment systems introduced for all funds, the health reforms and new provider payment systems will not be sustainable. It is important to recognize that there are two sources of funding in the health sector – health insurance monies and budget monies. Health insurance monies are pooled and, therefore, new provider payment systems have been implemented. Budget monies are not pooled and, therefore, new provider payment systems have not been implemented. The next step in Kyrgyzstan is to pool budget funds so both health insurance funds and budget funds are allocated using new provider payment systems. Over the last two years, USAID/ZdravReform and Kyrgyz health reformers have developed numerous mechanisms to attempt pooling health care budget funds. No mechanism has yet been successful.
- The Health Reform Joint Working Group (JWG) has held intensive policy discussions about pooling funds during the past few months. These discussions concluded that the Kyrgyz Republic step-by-step approach to health reform works extremely well in forming FGPs, developing NGOs, involving the population, and implementing new provider payment systems and information systems. However, the experience of the last two years shows this process does not work in pooling funds. The JWG decided that a major conceptual and legal intervention is required to “break through the ceiling” and get the funds pooled. As a result of this decision, a new health financing concept was developed, proposed, and is being reviewed by the Minister of Health. The intent is to incorporate this concept into a Government Decree or the Law on Budget.

- This new health financing concept will make use of two parts of the current health financing and funds flow structure. First are the strengths and capabilities of the Health Insurance Fund (HIF). The HIF has the two technical requirements needed for new provider payment systems – pooled funds and chapterless distribution of monies. In addition, as the HIF has implemented new provider payment systems using health insurance monies over the last two years, it already has the processes, systems, and human resource capabilities needed.

Secondly, the new health financing concept will use the example of the Republican Categorical Grants. Republican Categorical Grants (RCG) are lump sums allocated from the republican budgets to the oblasts for health services. In general, they are used to fund salaries and social insurance taxes. RCGs are allocated directly to the oblast level, meaning the funds are pooled at the oblast level.

- The new health financing concept combines these two characteristics of the health sector to create a solution to the pooling of funds problem. The solution is to transfer the Republican Categorical Grants to the Health Insurance Fund who has the capability to implement new provider payment systems using budget funds.
- In January, Bishkek City Finance Department and the City Administration issued a decree to pool Bishkek City 1999 funds. According to the decree, FGPs will be paid a capitated rate from this pool. Hospitals will be paid through the new hospital payment system from the second quarter of the year. This is an interim step initiated by ZdravReform.
- During January, ZdravReform and the World Bank Public Sector Resource Management Adjustment Credit (PSRMAC) Project continued their collaboration in health sector budgeting and developing strategies to pool funds at the oblast level. Strategies developed included holding a joint workshop for MOH and Ministry of Finance personnel on budgeting and pooling funds, and producing six reports for the MOF. The six reports will be: Program Budgeting, Health Sector Planning, Health Sector Efficiency Indicators, Functional Specification, Intergovernmental Financing, and Oblast Guidelines.
- USAID/ZdravReform and PSRMAC also decided to create a large budget database to assist in policy development and creation of oblast-level pools of funds. Currently there is no vehicle to evaluate oblast budgets or different financing sources. The database will form the basis of a National Health Accounts system.
- There is an enormous amount of work remaining in this area; it will be a priority for ZdravReform over the next year. It is vital to address this issue, because the health reforms are not sustainable until it is resolved.

4. National Health Accounts Database

- Over the last six months, Kyrgyzstan initiated National Health Accounts (NHA). NHA detail the sources and uses of funds in the health sector and can be used to develop health policy, provide input to health financing systems, and provide data for analysis of health sector expenditures.
- Last winter, ZdravReform economists developed the structure and principles of the NHA Database. The database will contain information about healthcare facilities' funding (sources and expenses), and structure. The NHA system will be used to set MOH policy and develop health sector budgets. The MOH Economic Group and the TACIS/PSRMAC project created several training seminars on program budgeting for oblast finance and health departments.
- In March, ZdravReform economists and the TACIS/PSRMAC contractor visited Issyk-Kul Oblast to familiarize all oblast healthcare and finance organizations with

the National Health Accounts Database structure, goals, and data collection process. Here it was decided to collect three type of budget information for each health facility: approved budget plan, actual funding, and actual expenses. This information is presently not recorded in one uniform document. The indebtedness of the local and national health care budget to healthcare facilities will also be recorded in the database, as will previously unrecorded sources of income such as "fees-for-services" and humanitarian aid. Collected information is grouped by facility subordination, functional program, financial program, and facility specialization. In the future, this financial information will be used to make budgeting and clinical decisions.

- In April, the Ministry of Health and the Health Insurance Fund approved the overall Database concept, and, in May, a MOH prikaz ordered all health facilities to collect and submit data. Also in May, USAID/ZdravReform presented the Database to all FGP managers and began FGP data collection in all oblasts.
- During May, ZdravReform worked on National Health Accounts database development, structure and coordination. ZdravReform economists then traveled to every oblast in Kyrgyzstan to explain the database plans and to develop oblast data collection schedules. One week later, ZdravReform returned to the oblasts and trained health facilities economists and accountants on how to collect budget data base information. The in-coming data was then checked and verified, and the database was modified as needed.
- On June 24-26, ZdravReform organized a training seminar on National Health Accounts formation for 42 Oblast level Chief Accountants, Economists, and HIF and FGPA representatives. The seminar provided participants with a clear understanding of the need for NHA and how to collect database information. This seminar also continued the healthcare dialogue between the MOH and MOF. As a result, working groups on budget database development and personnel database development were planned.
- Data collection will continue over the next few months and data analysis is a priority over the next year.

5. TACIS/PSRMAC Collaboration

- During the past six months, ZdravReform collaborated closely with the World Bank Public Sector Resource Management Adjustment Credit (PSRMAC) Project on pooling funds and health sector budgeting. The client for this project is the Ministry of Finance, and TACIS is the technical assistance contractor contract. One element of ZdravReform and PSRMAC's collaboration is development of the National Health Accounts system.
- Another major aspect of the collaboration between the PSRMAC TACIS Project and ZdravReform was co-sponsorship of a MOF seminar in early June. Approximately 50 ZdravReform local and national MOH, HIF, MOF, and Government counterparts participated in this forum for discussion of new health financing concepts. The seminar presented health reforms, new provider payment systems, program budgeting and other finance-related topics to participants from the MOF, MOH, and HIF. Although the seminar included various aspects of the PSRMAC Project, health sector budgeting was one of the seminar's major components. As a result of the seminar, the MOH presented recommendations to use the provider payment systems now used by the HIF to finance health care services under budget funds. The MOH also recommended pooling funds at the Oblast level and to pool Republican (national) facilities' funding at the territorial level in the future. The MOH will propose to the MOF using categorical grants to

finance all aspects of healthcare (currently categorical grants are used only for salaries). Also, very importantly, a MOF and MOH Joint Working Group was formed to address the issues of pooling funds and distributing funds without chapters.

6. Self-Referral Strategy

- In Karakol, many people are still bypassing their FGPs and referring themselves to polyclinics or hospitals. There are many reasons for this, including stereotypes of FGP physician competency. This problem must be addressed to improve the health system's cost efficiency, as primary care level treatment costs substantially less than treatment at an inpatient facility. The new HIF provider payment system supports reductions in self-referrals by only paying for cases referred by FGPs or polyclinics; however, these policies are not being fully implemented.
- In January, ZdravReform, MOH, HIF, and the local government formed a working group to address the self-referral problem. The working group decided to study the Karakol situation, to recommend solutions to the problem, and to educate the population about FGPs through a marketing strategy. The case study collected data on hospital admissions for November and December 1998. The MOH then informed all hospital chief physicians and FGP physicians that only patients referred by their FGPs in accordance with admission criteria will be covered by the HIF payment system. Patients' self-referrals will not be paid. All physicians agreed to follow this referral procedure. Enforcement will begin along with a public education campaign.

7. Rationalization

- With technical assistance from ZdravReform in March, Kara-Kulja Rayon in Osh Oblast reduced 25 hospital beds and re-profiled 10 other hospital beds.

8. Licensing and Accreditation

- In May, USAID/ZdravReform assisted IKO FGPs in preparing for licensing and accreditation. Issues reviewed included clinical documentation; internal control policy on attendance, medicine, finance and equipment; FGP current year plans and work schedules; vaccination documents and analysis; and preventive and educational work with patients.
- In Bishkek during April, the Licensing and Accreditation Commission licensed and accredited all FGPs at Polyclinics #3,4,5,8,9, and 24. These same FGP's then contracted with the HIF to receive payment under a capitated rate.

LLR 3.2.1.5 Modern management techniques and clinical practices adopted

Indicator: - Increased number of health care facilities in pilot oblasts using modern management techniques and clinical practices

1. National Level Clinical Information Systems

- In December 1998, a MOH Prekaz approved new inpatient and outpatient clinical information forms for the national health statistics system. ZdravReform created these inpatient and outpatient forms to run the new provider payment systems and provide better data for decision-making. Before this Prekaz, Kyrgyzstan ran two parallel information systems: the old health statistics system and the new health information system developed by ZdravReform. The Prekaz cancelled seven old forms, establishing one improved and sustainable information system.
- To implement the new clinical information forms and systems in 1999, the Republican Statistics Department of the MOH organized a January joint working

group (JWG) with USAID ZdravReform and the National Computer Center. The JWG recommended the human resources required for data entry, the computer requirements that are needed in each region, the schedule of training for all computer data personnel, and the flow of information.

- In February, the FGPA printed 8 million outpatient clinical information forms and 7500 instructions for all Kyrgyzstan's FGPs. These are enough forms for all FGPs for half a year. When the clinical information system is in place, FGPs will print the forms themselves using the HIF or budget funds.
- In March, FGPA clinical information specialists and the MOH statistics department began training polyclinic and health department statisticians to use and assess clinical information forms.
- In May, ZdravReform monitored IKO FGPs collection of clinical information forms and explained new changes in the form and the database software. ZdravReform provided additional training on statistical reports to FGP's, and inpatient and outpatient facilities statisticians in accordance with the new MOH Prikaz # 314 on statistical reports.
- During May, the National Informational Computer Center provided a training seminar in Bishkek on introducing new clinical information systems in FGP's and Polyclinics and on collecting data by automated and manual systems. ZdravReform provided technical and financial assistance for this seminar, and the FGPA, MOH, and Oblast Health Departments (OHD)s attended.
- In May USAID/ZdravReform and its local counterparts conducted a seminar about the use of the FGP clinical information system in quality management. Local and Oblast FGPA, HA, and Health Department personnel attended.
- In June, ZdravReform provided follow-up training to Oblast Informational Computer Center statisticians and operators, including over 125 specialists in Naryn Oblast.
- In June, USAID/Global Project and ZdravReform organized and financed a study tour to the United States for representatives from the MOH, OHDs, HIF, MOF, and JUS. Participants visited the U.S. Health Care Finance Administration, a private insurance company who serves as a fiscal intermediary for Medicare, the U.S. Congress, the American Hospital Association and an integrated health delivery system to view how clinical information systems are used to make financing, management, policy, and quality control decisions.

2. IKO FGP Database

- The Issyk-Kul ZdravReform computer specialist introduced changes in FGP enrollment software in March. Each IKO FGP physician will have available a database of his or her enrolled population (all ages and sexes). The new database will provide information on the enrolled families per FGP physician. Throughout April, ZdravReform provided regular training for 6 IKO Health Department statisticians. The statisticians are learning how to input clinical information forms into the patient care database and how to do automated statistical and clinical analysis from this information.

3. Financial Management Systems and Management Techniques Training

- In January, USAID/ZdravReform consultant George Purvis trained 60 IKO FGP doctors in management and 13 IKO FGP Practice Managers in accounting. Topics covered during this one-day seminar included: leadership and management roles,

management process, managerial decision making, vision, mission, planning concept, situation analysis, delegation of authorities, resource allocation and autonomy.

- Another ZdravReform consultant also provided three additional training seminars for 42 trainee physicians from the IKO FGPs on leadership, management rules, management systems, strategic planning, situational analysis, and delegation of authorities.
- In March, the ZdravReform accounting trainer, lawyer, and technical director (Karakol) provided on-job training to Issyk-Kul FGP head doctors and managers to help them acquire skills to manage FGP HIF funds. Following this training, ZdravReform developed recommendations on FGP HIF cost accounting and on reallocating IKO FGP's salaries based on the number of families enrolled to each FGP physician.
- In March, ZdravReform provided another 3 days of training seminars on management techniques to 70 Issyk-Kul FGP physicians, and a two-day seminar in accounting to all (5) Balykchi city and Ton Rayon FGP Practice Managers. ZdravReform's accounting specialist also reviewed and offered advice about accounting practices at FGPs in Panfilova, Jayil, and Moscow Rayons in Chui Oblast and in Cholpon Ata (Issyk-Kul).
- In April, USAID/ZdravReform trained 35 IKO FGP doctors on internal control policy, "management by objectives," and HIF and budget funding.
- In May, ZdravReform consultants met with IKO FGP personnel on the role of the FGP Clinical Head as a leader in a team, FGP's vision for their future, internal control policy, enrollment and refinement of data, and decision making issues. ZdravReform also provided a seminar for 38 IKO FGP physicians on Internal Control Policy and MBO (management by objectives).
- USAID/ZdravReform facilitated a month-long training in international accounting for FGP practice managers and Manas Project economists by USAID/Carana.
- On June 15-18, ZdravReform provided recommendations to Balykchi, Ton and Issyk-Kul Rayon FGP Practice Managers on how to transfer property to the FGP balance sheet, to register FGP material property, and to inventory FGP property.

4. FGP Autonomy

- ZdravReform supported training for 35 IKO FGP doctors in personnel management issues. For FGPs to become autonomous from polyclinics, FGP Clinical Heads must have the ability to be responsible for their FGP staff.

5. New Clinical Protocols

- Over the last six months, technical joint working groups were formed for the purpose of developing new clinical protocols. The JWG's have developed new clinical protocols and they are in the process of being reviewed by the MOH and other stakeholders.

6. Incorporation of new treatment protocols for ARI/CDD (developed by BASICS/WHO/UNICEF)

7. In January, Edil Sadykov, ZdravReform IKO ARI and CDD master trainer, provided a three-day ARI training seminar to five health professionals at Djergalan FGP #15. At four other trainings in Karakol, 22 health professionals took part in three-day ARI training seminars. Dr. Sadykov further lectured 42 Issyk-Kul Family Medicine Center trainees on ARI information. Finally, ZdravReform supported training an additional 20 Ton Rayon FGP nurses, midwives, and feldshers in ARI protocols.

- Dr. Sadykov trained another 60 FGP doctors on ARI protocols in February. He then monitored the implementation of ARI protocols in FGPs in Karakol and Balikchi and in Issyk-Kul and Djety-Orguz Rayons.
- In May, ZdravReform's Dr. Sadykov and the IKO OHD organized a meeting of all Rayon ARI and CDD Master Trainers to discuss improving weak points in ARI and CDD Program's implementation. ZdravReform also provided a seminar on ARI and CDD for five IKO Children Hospital employees.
- On June 9-10, Dr. Sadykov trained 17 IKO Children Hospital physicians on CDD.

7. Breastfeeding

- In April, the ZdravReform-supported ARI and CDD Master Trainer participated in 40 hours of breastfeeding training provided by UNICEF-Kazakhstan. Following this training, the Master Trainer organized a three-day breastfeeding training for all Karakol FGP doctors and nurses.

8. Tuberculosis

- From January to March, ZdravReform helped Dr. Kultieva, Director of Primary Health Care in the Manas Project, to create two fifty-five minute doctor training films on the modern clinical protocol of DOTS for treatment of TB. Dr. Kultieva is currently distributing 100 copies of the films with additional materials to medical institutes throughout Kyrgyzstan.

9. Family Planning Training

- In February, trainers from ZdravReform's pilot sites participated in a 10-day family planning training by USAID/SEATS project, and the National FMTC. The total of 10 FGP trainers from Bishkek, Issyk-Kul, Osh, and Jalal-Abad will now train FGP staff to provide modern family planning services focused on client satisfaction.
- On May 29-30, ZdravReform provided a family training seminar for 10 nurses from Tuip Rayon, Karakol village FGP and FAPs

10. Risk Factors (Heart Disease) Training

- ZdravReform supported the participation of the FGPA and FGP doctors in a National Cardiology Center seminar, "Steps to a Healthy Heart."

11. Health Promotion Training

- In January, ZdravReform sponsored a training of trainers course on health promotion. Two certified trainers from St. Petersburg Postgraduate Academy were invited to deliver a ten-day course to sixteen participants from all over Kyrgyzstan. The 16 participants will now integrate the new materials into the family medicine curriculum.

IR 3.2.3 Cost-effective health sector reforms adopted nationally

LLR 3.2.3.1 National legal, regulatory and policy framework established

Indicator: - National legal, regulatory and policy framework for health sector embodies reforms

1. National Planning Session

- ZdravReform organized, financed, and provided technical assistance in a national planning session for all health reform counterparts and donor agencies. The planning session was held in Bishkek from January 28 to February 1. The main purposes of the session were to coordinate and integrate all reform plans and activities across the country; to identify and solve common problems; and to

improve the plans developed by national and oblast levels. The session was focused on concrete results and addressed specific topics.

- The session was split into two parts with the first two days emphasizing presentations from each region, coordination across regions, and common problems. The second half of the session was devoted to working groups that addressed complex problems which resulted in recommendations for solving the particular problem. The main areas of discussion were: primary care, formation of FGPs, integration of vertical programs, clinical training, enrollment, association development, health promotion, information dissemination, and new payment systems - HIF strategy, FGP and hospital payments, and clinical information and financial systems.
- The planning session showed the collaboration of different government organizations with donor agencies as well as a vision for all participants to move in one direction.

2. Normative Acts

- In January, the President signed an edict to move the HIF under the MOH, thus creating a single payer system. This is only the first step in a long process; the next step will be restructuring the MOH as a health purchaser.
- HIF signed contracts with FGPs and hospitals to provide medical care under the health insurance system.
- MOH cancelled seven old reporting forms, and national implementation began in January on ZdravReform-generated new clinical information forms.
- MOH released the new revised Essential Drug Formulary.
- MOH released regulations on clinical testing of pharmaceuticals

3. Health Protection and Health Insurance Laws

- ZdravReform, the MOH, and the Kyrgyzstan Health Insurance Fund organized a working group to develop a new draft of the Health Protection Law. The Health Protection Law is the primary law within the health sector. All other laws and regulations are subservient to this law. The process of health reform has made revision necessary, as the fast pace of reforms is making the old law obsolete. This revision of the Health Protection Law will be a long process – the initial drafting process, review, comments, and numerous revisions will probably take a year.
- The Health Insurance Law on which ZdravReform provided substantial technical assistance and drafting was submitted to Parliament.

4. Draft National Laws and Regulations

- In April, ZdravReform legal consultants prepared proposals and comments about Kyrgyzstan's draft laws "On the Rights and Duties of Healthcare Workers" and "On Infectious Diseases Prevention."
- In June, ZdravReform prepared recommendations on reducing the number of staff within the health sector and on improving healthcare staff payment mechanisms.

5. Pooling of Funds

- ZdravReform contributed to the preparation of a Draft Government Decree concerning pooling funds. At this point in the health reform process, pooling funds is the biggest issue in Kyrgyzstan. It is necessary to pool budget funds to begin the process of implementing new provider payment systems using budget funds. The Health Insurance Fund has implemented the new provider payment systems using health insurance moneys; the next step is to use the same systems for budget funds.
- A joint MOH and MOF resolution approved ZdravReform's recommendation of breaking down the budget into three pools - hospital, outpatient and FGP.

6. FGP Autonomy

- A March Joint Working Group discussed FGP development, management, autonomy and staff duties. USAID/ZdravReform provided assistance in developing legal documents to help FGPs regulate their activities and their vertical and horizontal relationships. The ZdravReform lawyer drafted regulations on “multiprofile polyclinics,” “the duties of the deputy head polyclinic physician relating to FGPs,” and “the duties of the family practitioner.” MOH issued resolutions on “FGP licensing and accreditation fees” and “the FGP practice manager position in health sector.” ZdravReform also proposed regulations for the Health Coordination Unit Procurement Commission.
- On April 6, the IKO Oblast Health Department approved Prikaz #34. This Prikaz obligates Rayon Chief Physicians to legalize IKO FGP’s property by transferring this property from rayon polyclinics to the FGPs. The Prikaz also delegated responsibilities to FGPs for preparing for FGP licensing and accreditation.
- In May, the IKO OHD Head, approved prikaz # 63 on merging several IKO FGPs. Mergers are part of the natural restructuring process and show that the health reforms have been successful because the health delivery system continues to evolve after the initial restructuring interventions. The merger process was initiated by the FGP’s themselves, not government authorities. It illustrates that decentralization and autonomy for health providers is beginning to take hold as the FGP’s themselves analyzed their environment and decided a merger would be to their advantage. These FGPs are small and dependent upon each other because they use one facility, the same medical equipment and actually work as one team. By July 5, 1999 the merged FGPs will receive new certificates as legal primary care entities.
- Also in April, ZdravReform prepared proposals and juridical recommendations on Karakol private medical practices’ registration with the FGPA, MOH, and HIF.
- In June, the IKO OHD approved prikaz #79 and # 81. These Prikazs order Karakol Polyclinic Chief Physicians to share laboratories and procedure rooms with FGPs and assign polyclinic specialists as responsible for accident prevention.
- Also in June, ZdravReform's legal team visited Issyk-Kul Oblast to assist with the LAC process. It is clear that the FGP’s material base is still weak and this must be addressed on an on-going basis.

7. HIF Recognition

- The ZdravReform legal team worked with the Health Insurance Fund on the problem of official governmental recognition and documentation of the organization. The HIF was created by decree by the previous government. Future governments could choose not to honor this decree. ZdravReform is drafting a law to recognize the HIF formally and legally.

8. FGP Legal Base

- ZdravReform lawyers presented a lecture to the Osh Oblast Health Department and FGP authorities on the legal creation of FGPs. There are differences in the legal recognition and formation of FGPs in Osh, Chui, and Issyk-kul Oblasts which should be reconciled. It is good that slightly different models for FGP’s are used in different places. However, it is also important that the legal framework be fairly standard.

LLR 3.2.3.2

Indicators:

Project products disseminated and public awareness raised

-Information on health sector reform interventions disseminated

-Public awareness of health reforms and health issues increased by public information campaign and NGO activities

1. Year of Healthcare

- The President designated 1999 as the Year of Healthcare. An inter-ministerial conference dedicated to the Year of Healthcare took place in Bishkek with the participation of Prime Minister Ibraimov, First Lady Akaeva, and the Ministers of Education, Environment Protection, Sport and Tourism, the oblast governors, and health professionals. The Minister of Health reported the “Healthcare Year” plan of the MOH. He also highlighted the problems with TB, STI and other infectious diseases. He stressed the support of donor organizations and expressed appreciation of USAID/ZdravReform's activity in implementing the health reform.

2. Health Economics Seminar

- In April, GTZ invited ZdravReform to prepare a Bishkek seminar on Health Economics. USAID/ZdravReform's Co-Director, Deputy Director, and Economists presented two days worth of lectures about general health economics principles and models. A number of ZdravReform's MOH and HIF counterparts participated in this seminar.

6. “Time to be Healthy” Newsletter

- Since January, ZdravReform has distributed its bi-monthly “Time to be Healthy” regional informational bulletin in Kazakhstan, Kyrgyzstan, and Uzbekistan. This bulletin contains information about the USAID/ZdravReform program, FGPs, freedom of patient choice, health reform's legal basis and examples of laws, and professional organizations in the health reform. Also included is a list of additional related articles available upon request.
- During the past six months, ZdravReform has given CD-ROM copies of the ZdravReform library to 16 counterpart organizations in Kyrgyzstan.

4. Tuberculosis

- To recognize International TB Day, March 24, ZdravReform organized a half-an-hour call-in radio program about TB. The Head of the Health Reform Project's Primary Care Component answered Bishkek and Chui Oblast listeners' questions about TB symptoms, treatment, and prevention. On March 19 and 20, the Issyk-Kul TB Dispensary Chief Physician also was interviewed on TB issues for two national radio and TV broadcasts. ZdravReform volunteers in Osh and Jalal-Abad conducted TB Day lessons for 30 kindergarten students and teachers and 20 university students, respectively.
- In March and April, the Issyk-Kul ZdravReform Marketing Team organized interviews by the oblast newspaper "Vesty Issyk-Kulya" and the local Karakol newspaper on DOTS and the Issyk-Kul TB Dispensary.
- ZdravReform distributed a 30-second TV advertisement and a 15-minute TV program about TB. These programs were shown weekly in March in Issyk-Kul, Osh, Jalal-Abad, and Chui Oblasts.
- In late May and early June, ZdravReform distributed 100,000 Kyrgyz and Russian patient brochures on TB prevention to FGPs throughout Kyrgyzstan. In collaboration with its partners, ZdravReform created, focus-group tested, and printed this brochure. The brochure is part of ZdravReform's spring TB prevention campaign.
- Also as part of our TB campaign, ZdravReform printed and distributed to FGPs 600 sets patient TB posters and 500 sets of TB laboratory safety posters.

- Each Sunday in Karakol, ZdravReform makes four daily announcements on TB prevention in Kyrgyz and Russian.

5. Family Planning

- In February together with the USAID/SEATS project, ZdravReform conducted 600 family planning client satisfaction surveys with FGP patients in Chui, Jalal-Abad, Osh, and Issyk-Kul oblasts in February. ZdravReform is writing a comparative analysis of the results received from this family planning exit survey and the results received from family planning survey done in Issyk-Kul oblast two years ago. ZdravReform is examining the effectiveness of FGPs in distributing family planning materials and information.
- ZdravReform created, focus group-tested and printed a Kyrgyzstan language version of a youth contraception brochure. 27,000 copies of this brochure were distributed throughout Kyrgyzstan as part of collaboration between USAID/SEATS and ZdravReform.
- In May, the IKO FGPA received a supply of contraceptives for IKO FGPs to promote family planning. These were supplied by USAID after a request from ZdravReform and were valued at \$47,000.
- Also as part of its May family planning campaign, USAID/ZdravReform and the Bishkek Health Promotion Center visited two Bishkek high schools to show a video and to hand-out brochures about family planning.
- With our counterparts, ZdravReform conducted two June family planning radio programs in IKO, “Safe sex for teenagers” and “How to prevent an unwanted pregnancy.”

6. Breastfeeding

- Kyrgyzstan's MOH has chosen Karakol City in Issyk-kul Oblast to receive international certification in breastfeeding support interventions. The Oblast Health Department, the FGPA President and the ZdravReform team worked together to prepare Karakol facilities for this certification. As part of preparation, the ZdravReform Marketing Team created breastfeeding displays in the facilities, and distributed breast feeding materials for Karakol FGP physicians and mothers. On June 24, the IKO Maternity House with Karakol FGPs participation received an International Certificate on breast feeding.
- In April, USAID/ZdravReform produced a Karakol TV program and a radio call-in program on breastfeeding. The IKO Maternity House Chief Physician and other physicians provided breastfeeding tips and information for pregnant women or women with infants.
- Also during April, the ZdravReform IKO Marketing Team surveyed 120 breastfeeding mothers in Karakol. The results of this survey will indicate the success of ZdravReform's breastfeeding awareness campaign.
- In May, ZdravReform organized Karakol radio and TV programs on breastfeeding advantages.

7. Diarrhea

- The diarrhea health promotional campaign began in April. ZdravReform distributed fliers and press releases about diarrhea prevention and its complications through FGPs and radio stations in South Kyrgyzstan. Diarrhea education began in May in North Kyrgyzstan. In total, 35,000 Russian diarrhea education fliers have been distributed to Kyrgyzstan FGPs.
- With the Bishkek Health Promotion Center in May, ZdravReform distributed diarrhea brochures in Bishkek bazaars and played diarrhea awareness

advertisements over the bazaar loudspeakers. Since last year, diarrheal disease has increased four times in Bishkek.

- ZdravReform finalized and conducted a May mothers survey on ARI and CDD and breastfeeding in Karakol. Also in Karakol, ZdravReform participated in a Karakol radio call-in broadcast on ARI and CDD.
- Each Sunday in Karakol, ZdravReform sponsors four Kyrgyz and Russian radio broadcasts in the bazaar about control of diarrhea.

8. ARI

- At the beginning of March, ZdravReform surveyed mothers in Balykchi and Issyk-Kul Rayon on their knowledge about ARI prevention. This survey was then analyzed, and the results will be used to design an ARI interventions public awareness program in the fall.
- From June, ZdravReform is distributing 60,000 ARI patient fliers to Kyrgyzstan FGPs. Most of these fliers will be given out in the fall as part of our ARI prevention campaign.

9. Risk Factor

- On May 26, USAID/ZdravReform and a local anti-smoking NGO, SINDI, planned and conducted the first of 3 Risk Factor game shows for Kyrgyzstan young adults. Four teams of costumed university students from Osh, Karakol, and Bishkek performed skits, songs, and dances related to “Smoking or Intellect.” Although the live audience filled the Bishkek Sports Palace, the show was broadcast live for nation-wide viewing. After a two-hour battle to be wittier, smarter, and better than its competitors, the winning team won \$200. The next game show about alcohol abuse is planned for September.
- ZdravReform-created TV spots on prevention of cardiological diseases and smoking are shown 3 times a week in IKO and once a week in Chui, Osh, and Jalal-Abad Oblasts.
- In May, ZdravReform organized open talks and drawing contests in two IKO secondary schools for on healthy lifestyle issues. The best results of the drawing contests are going to be exhibited in Karakol Children and Adult Polyclinics.

10. STIs

- In May, ZdravReform organized a radio broadcast on “How to prevent STIs.”

11. Health Marketing

- In May, the ZdravReform Marketing Team worked with Ak-Suu Rayon FGPs and Karakol FGPs on how to work with patients, how to educate them, and how to use dissemination materials. Participating FGPs were provided with ARI and CDD brochures, posters and other informational materials on social diseases.

12. Health Reforms

- With assistance from ZdravReform in May, the Osh FGPA published a large publicity article in the local Osh newspaper about the role of the FGPA and Family Doctors in primary health care reform.
- The ZdravReform marketing team analyzed the self-referral problem in IKO for the first quarter of the current year. Analysis shows that less patients are admitted to inpatient facilities without FGP referrals than before. ZdravReform consultants reminded FGP physicians to work with their patients on self-referral problem
- The ZdravReform Marketing Group in Issyk-Kul Oblast published a press release about problems related to self-referral in the Oblast newspaper.

- In March, ZdravReform specialists were interviewed by Issyk-Kul Radio about the health reform in Issyk-Kul Oblast and in Kyrgyzstan. This interview was broadcast nationally.

13. Kyrgyzstan Health Reform Seminar

- ZdravReform presented to local government counterparts its 1999 workplan. This plan includes an extensive health promotion campaign. The campaign promotes the idea that each individual has the responsibility and right to take charge of his or her individual health care.
- On June 15, ZdravReform presented the IKO Health Care Reforms since 1995 to the IKO OHD. Information was given on the role of the USAID/ZdravReform Program.

14. Academy for Educational Development (AED)

- USAID/ZdravReform program provided AED a list of 23 professionals from the five CAR countries, including two Kyrgyzstan participants, to participate in a January Health Promotion study tour in Budapest, Hungary. The main purpose of this study tour was to highlight the importance and relationship among the health status of the population, the role of health promotion, the institutional structure of supporting the processes, and the possible models of health promoting interventions. The participants worked on conceptualizing the national strategic plan for health promotion and understanding the role of the national health promotion center, the national and local government, and non-governmental organizations.

LLR 3.2.3.3 Increased adoption of successful demonstration interventions in other

Indicator: - Number of oblasts in which successful pilot projects are rolled out.

1. Roll-out From Issyk-kul to Osh and Jalal-Abad Oblasts

- ZdravReform organized a study tour to Issyk-kul Oblast for the Osh and Jalal-Abad FGPA and HA. From March 29 to April 2, ZdravReform specialists, Osh and Jalal-Abad HA and FGPA representatives, and South Kyrgyzstan Oblast Health Department Chiefs learned about the experience of the Issyk-kul pilot project over its four years of development. Most beneficial was viewing the actual IKO reforms in progress and hearing about ZdravReform's "step-by-step" approach. The Southerners understood the need for flexibility in adapting the reform to local conditions and to new knowledge. Teamwork, open communication, prioritizing were stressed as keys to success. The new health financing system was also explained to the participants. Finally, ZdravReform consultants presented the purpose and data collection procedures of the National Health Accounts Database

2. Roll-out to Talas Oblast

- ZdravReform is initiating rollout of the health reforms to Talas Oblast. Due to limited resources, this will be a very gradual process.
- An affiliate of the FGPA was opened in Talas Oblast. The affiliate will provide leadership for the oblast's rollout of the healthcare reform.

3. Roll-out to Naryn Oblast

- The National FGPA created an affiliate organization in Naryn Oblast to facilitate health reforms in this area. This is the first step in the long process of rollout the health reform model to Naryn Oblast.

- The national health information system implementation is the basis for beginning the health reforms in Naryn Oblast. Issyk-Kul Oblast staff are providing the human resources necessary for the rollout. ZdravReform and the FGPA have trained 286 medical specialists from five Naryn rayons in using the new in-patient and outpatient clinical information forms.

4. Observers of Kyrgyzstan Health Reforms

- During April, the National FGPA organized study tours examining Kyrgyzstan's healthcare reform for representatives of Tajikistan and Mongolia. The reputation of the Kyrgyzstan health reforms continues to grow as indicated by the visit from Mongolia.

**Uzbekistan Detailed Program Activities by Intermediate Result from
January 1- June 30, 1999**

IR 3.2.1 Cost-effective health care services demonstrated in selected oblasts

LLR 3.2.1.1 Strengthening primary health care

Indicators: Increased number of independent primary care practices
Percentage of primary care practices with expanded scope of work services

1. Primary Care Facilities in Pilot Oblast Developed and Strengthened

- Over the past six months, 45 SVPs and SVA-FAP complexes were established in three experimental rayons in Ferghana Oblast (Besharik, Kuva, and Yazyavan). These primary care facilities are administratively independent from the Central Rayon Hospitals and have their own bank accounts. They will receive funds directly from the Oblast Health Department. ZdravReform was instrumental in convincing policymakers to include all primary care facilities, not only the new SVPs, in the new financing and management system. The inclusion of all primary care facilities into the new financing and management system was seen as crucial for maintaining equity in the system and covering a sufficient number of primary care facilities to show an impact on the efficiency and effectiveness of the health system as a whole.
- ZdravReform is currently assisting the Ministry of Health to develop a list of services to be provided by primary health facilities based on an analysis of existing information on clinical capability. A survey of primary health facilities in the pilot rayons showed a low level of material base and clinical capability. ZdravReform therefore recommended the development and implementation of a licensing and accreditation process jointly with the list of services for these primary health facilities.
- ZdravReform also assisted in the development of lists of emergency drugs, laboratory services, and laboratory equipment recommended for SVPs and SVP-FAP complexes. The Ferghana Oblast Health Department approved these lists. Further, ZdravReform helped establish a mechanism for maintaining a sufficient supply of laboratory consumables via “Dori-Darmon” and “Medtechnika.”
- ZdravReform helped Oblast Health Department officials specify SVP staffing requirements and head physician and financial manager appointments. ZdravReform also prepared a draft Akimat decree to register the SVPs. A February 10, 1999 Ferghana Oblast Edict granted SVPs the status of independent legal entities.
- New primary care Financial Managers trained through the ZdravReform Program were assigned to SVPs and SVA-FAP complexes in the pilot rayons of Ferghana Oblast on April 1.

2. Health Reform Processes Clarified

- In early May, ZdravReform held a series of planning meetings and brainstorming sessions with national and oblast-level health departments, representatives from local akimats, and other counterparts from Ferghana oblast and the three experimental rayons, USAID’s ZdravReform Program, and the World Bank Central and Oblast Project Implementation Bureaus (PIBs) to discuss plans to move the Health Reform Project in Uzbekistan from the design phase into actual implementation.

- The plan that was developed defines a process for implementing health reforms in Uzbekistan via Joint Working Groups on eight reform topics: finance and management; primary health care strengthening (including sub-groups on clinical training and improving each facility's material base); management information systems; monitoring and evaluation; marketing; legal and policy issues; NGO grants; and rationalization. Joint Working Groups are scheduled to meet monthly and to report to a larger Steering Committee on a quarterly basis.

3. Information About SVPs and SVA/FAP Complexes Compiled

- In February, representatives from the Oblast Health Department (OHD), Oblast World Bank Project Implementation Bureau, and ZdravReform also assessed the physical conditions at all SVPs and SVA/FAP complexes. Many of the primary care entities do not yet comply with the adopted criteria for design, construction/renovation, and equipment. Many SVPs and SVA/FAP complexes are without heating and running water. Similar problems exist for equipment. The assessment was presented to the OHD with recommendations of how to address the situation through the World Bank loan. In addition, a new design for SVPs has been developed which meets the criteria.
- In May and June, ZdravReform staff continued entering data on each SVP or SVA/FAP complex, including types and amount of equipment, building descriptions, etc. ZdravReform computer specialists in Ferghana created a descriptive database for this information and data collected by the Oblast Project Implementation Bureau will be entered into the database. This information will help ZdravReform staff, PIBs, and Oblast and Rayon akimats and health departments to know how to improve the conditions of each facility. It can also serve as a baseline inventory list for each SVP and SVA/FAP complex in the future.
- Also in May, ZdravReform agreed to provide SVA/FAP complexes with a small amount of basic equipment if the oblast health department agrees to provide necessary renovations for these facilities. This plan will support a more rapid conversion of SVA/FAP complexes into SVPs, so that further equipment and upgrades can be provided under the World Bank loan. Equipment needs are currently being defined for each SVA/FAP complex using the database mentioned above.

LLR 3.2.1.2 NGO facilitate implementation of health sector reform

Indicator: - Increased number of health sector NGOs

1. Inter-mahalla Health Advisory Board (IHAB)

- In January, ZdravReform assisted drafting the documents required to establish IHABs as NGOs. ZdravReform, representatives of the Ferghana Oblast Akimat, and the National Bank determined the procedures for IHABs to register as NGOs at the Oblast level and open their own bank accounts, required for the IHABs to apply for and receive grants. As part of this process, ZdravReform helped draft by-laws for the IHABs. The by-laws state IHAB's main tasks and principles, duties of its members, principles of management, regulations regarding property and financial assets, its legal status. As of June, the IHABs were still not registered. ZdravReform will investigate why in the next month.
- An intern from the United Kingdom, Ed Harris, started working with the ZdravReform office in Ferghana in early June. Mr. Harris will work in Ferghana for six weeks to research and produce a report on mahallas and their relationship to the health sector, work with the grants team to provide a sociologist's perspective

to the development of the IHABs and the relationship between the IHABs and SVPs, and participate in the grant process by helping the IHABs to research and develop proposals for grants.

2. Humanitarian Aid From CHAPS Arrived in Ferghana

- Based on previous joint work between Ferghana Oblast health authorities and CHAPS with input from the NGOs under development, a big container of medical equipment and other humanitarian aid items arrived in Ferghana on February 11, 1999.

3. NGO Trainings Conducted

- In February, ZdravReform, with support from Counterpart Consortium, organized two workshops to explain the ZdravReform Small Grant Program. The Grant Program is designed to fund community-based public health interventions that are a partnership between the community and the primary health care facility. The workshops were conducted for the IHABs, NGOs, SVP program managers, and health administrators from the experimental rayons. The workshops also provided a forum to discuss issues including the gradual introduction of health care reforms, peculiarities of shifting to capitation financing, and the role of NGOs, specifically IHABs. One suggestion was that women's organizations and associations should be established or expanded in each rayon to address health issues.
- Again in cooperation with Counterpart Consortium, workshops were organized during March-May 1999 for representatives of the IHABs, Associations of Physicians and Nurses, and SVP Associations from all three pilot rayons of Ferghana Oblast. Counterpart Consortium provided trainers and teaching materials while USAID/ZdravReform supported logistics and organizational aspects of the workshops. The first seminar, focused on Participatory Rapid Appraisal (PRA) techniques, registering NGOs, and preparing grant proposal, was held from March 29 - April 4 for representatives of Intermahalla Committees of Besharik, Kuva, and Yazyavan Rayons. Damon Clyde, the ZdravReform Program's new NGO/Grant Director, and Zafar Aripov, grant specialist, participated in the courses on behalf of ZdravReform.

4. Community Needs Assessment Conducted and Potential Grant Projects Developed

- As a follow-up to the training conducted by Counterpart Consortium in April, ZdravReform's NGO/Grants Team and one Counterpart trainer conducted field research using PRA techniques in two villages in May, Kapa-yangi in Beshariq Rayon, and Karasokol in Yazyavan Rayon, to identify community health needs. The research found that most health problems in these two villages are connected to the lack of drinking water.
- The NGO/Grants team returned to the above village, Karasokol, with a government engineer to examine the mahalla's plan for supplying part of the village with drinking water.
- In conjunction with on-going consultations to potential grantees, the NGO/Grants Team met with several government officials concerning additional funding sources for capital projects, like water supply systems. The government officials are eager to cooperate with the Small Grants Program, particularly in co-financing.

5. New Health NGO Registered

- ZdravReform provided assistance to a local NGO in Ferghana focusing on women's issues called "Ishonch" to register the group as an NGO with the local akimat.

- ZdravReform also provided assistance to ‘Ishonch’ in developing a grant project dealing with reproductive health issues.

6. Grant Program Initiated

- ZdravReform’s grants team developed grant program documents and distributed grant application forms to all SVP head doctors.
- In addition, ZdravReform placed requests for applications for grants in Ferghana oblast newspapers. Applications were due June 15 for the first round of small grants to be awarded. Although several grants were received, the deadline has been extended to June 30. A grant selection committee has been formed and will select grants for funding in mid-July.

LLR 3.2.1.3 Increased consumer choice in market based health care system

Indicator: - Percentage of population enrolling in their primary care practices

1. Population Enrollment through Registration

- In January and February, an extensive population registration campaign was carried out in one experimental and one control rayon (Kuva and Tashlak, respectively). ZdravReform staff managed this process with the Ferghana Oblast Health Department and Central Rayon Hospital representatives. ZdravReform continually visited SVPs and SVA/FAP complexes to train population registrars, to check the accuracy of data forms, and to answer registrar questions. Patients from 16 PHC facilities in Kuva and 11 in Tashlak rayon were registered according to their addresses. This gives "baseline" information to allow a future open enrollment by free patient choice of primary care provider.
- Tashlok Rayon, one of ZdravReform’s control rayons, completed the population enrollment registration campaign this month.
- Population data collection in Ferghana oblast is in its final stage and will be finalized by July 1.

LLR 3.2.1.4 Increased efficiency and accountability of health care system

Indicators: - Increased percentage of health care providers reimbursed by market-oriented payment systems

1. Hospital Rationalization and Savings Orientated Towards Primary Health Care

- As mentioned in the last six-month report, a “health structure rationalization plan” was developed by local health authorities to reduce and restructure hospital capacity and to develop primary health care. Implementation of the rationalization plan began in 1999. It is important that savings from the rationalization of hospitals be shifted to primary health care in general and to SVPs in particular. USAID/ZdravReform worked with the Government to include this provision in the Government Decree on SVP Financing. In January, ZdravReform was made aware that the latest version of the Governmental decree proposal stated that the financial resources saved by rationalization of the hospital sector should be shifted towards other health sectors not specifying primary health care. Many believe that this means most of these resources (if not all) will be shifted towards a new vertical program: emergency hospitals. ZdravReform is working with the MOH and Government to address this potential problem. Aside from ensuring adequate resources for the primary care sector, however, hospital rationalization activities are beyond the scope of the ZdravReform project.

2. Development of Primary Care Capitation Rates

- In February, discussions were held with officials from the Ferghana Oblast Central Bank and Oblast Finance Department officials to determine a mechanism for disbursing primary health care capitated budgets according to business plans developed by the facilities. Under the previous system, budgets were allocated according to strict, centrally planned budget chapters. The representatives from the Oblast financial sector agreed to accept business plans in place of chapter budgets for internal allocation of primary care resources, but approval must also be obtained from the national Ministry of Finance. ZdravReform is currently working with the World Bank Project Implementation Bureau to obtain this approval.
- Also in February, ZdravReform surveyed more than 25,000 primary care patient encounters in the three pilot and three control rayons of Ferghana. The survey will be used as a baseline for evaluating changes in primary care service delivery related to the health reforms and to calculate risk (age and sex) adjusters for primary care capitation rates. Patient encounter information was entered into a computer center database during March.

3. Payment System for SVPs and SVA/FAP Complexes Initiated

- In April and May, ZdravReform and the Oblast PIB worked with 16 SVP Financial Managers in Ferghana oblast to develop and refine budget estimates, then began compiling the estimated budget figures for all facilities in the three experimental rayons into a database.
- During the last week of May, ZdravReform staff traveled to Ferghana to ensure that the budget estimates for the SVPs and SVA/FAPs were approved and registered by the Oblast Health Department, Finance Department, and regional branch of the Central Bank. Using the budget estimates provided by the Financial Managers, funds began to flow from the Oblast Health Department to the SVPs and SVA/FAPs during the first week of June.

4. Primary Care Facility Financial Managers Hired and Trained

- A three-month training program for Financial Managers started on November 10, 1998 and was completed on February 12, 1999. In January, the training was devoted to business planning, marketing strategies, health statistics, and modern accounting practices. The trainees visited a number of SVPs where they collected baseline information to develop mock business plans and discussed the statistical reporting requirements of primary health care facilities. February's training provided information about health information systems needed for effective SVP management. The last week of the program included special practical training and consulting sessions conducted by the Ferghana OHD Chief Accountant and Chief Economist.
- At the end of training, the Financial Managers were tested on the basic subjects included in the training program. Each participant was interviewed by representatives from Ferghana OHD, Ferghana Polytechnic Institute, and the ZdravReform Program. The average participant score was 91%. After testing, 16 trainees were awarded certificates, giving them the right to work as Financial Managers in SVPs and SVA/FAP complexes in the experimental rayons.
- Upon completion of the training, the new Financial Managers were surveyed regarding the need for further training. The managers felt they still lacked practical skills to assist them in their actual work. ZdravReform will therefore develop additional training plans and operational manuals for Financial Managers. At the

suggestion of the Oblast Health Department, a series of additional practical seminars will also be carried out with ZdravReform assistance.

- Financial Managers were posted to their primary care facilities and began work on April 1.

5. Transportation Support Provided to Financial Managers

- Because there are 45 SVPs and SVA/FAP complexes, and only 16 Financial Managers and four Peace Corps Business Management Volunteers, each manager is required to support about three facilities and each volunteer is to support between five and ten facilities. Since these facilities often are not located near each other and local transportation between them is unavailable, ZdravReform has agreed to provide bicycles to all Financial Managers and Peace Corps Business Management Volunteers in our three experimental rayons.
- The bicycles were presented to the Financial Managers and Peace Corps Volunteers in a ceremony on June 25 that was attended by representatives of USAID, the Oblast Health Department, the World Bank Project Implementation Bureau, and the Akimat. The local media covered the event.

6. Collaboration with Peace Corps Business Management Volunteers

- In May, ZdravReform met with Peace Corps Business Management Volunteers to discuss their role in supporting the financial management of the SVPs and SVA/FAP complexes in the three experimental rayons. ZdravReform discussed their general scope of work, how they can best support the financial managers currently assigned to the SVPs and SVA/FAPs in their rayon and how to best communicate with ZdravReform staff in Ferghana and Tashkent. The four volunteers, Craig Bredvold, David Givens, Matthew Shugert, and Jonell Snow were posted officially at their sites on May 24. One volunteer will be in Kuva, two in Besariq, and one in Yezyavan.
- ZdravReform Finance and Management staff collaborated with the Peace Corps Training Officer to develop ideas for in-service and follow-up training to the Business Management Volunteers over the course of the next six months. Peace Corps and ZdravReform again met with the Business Management and Computer Specialist Volunteers in Ferghana city in June after they had been at their posts for two weeks to discuss their initial impressions and to conduct a survey on in-service training needs for the Volunteers as well as for the Financial Managers.

7. Joint Working Group on Finance and Management

- ZdravReform's Finance and Management team met during the last week of May to discuss process and communication issues within the team. The team also met with the Finance and Management Coordinator from the World Bank PIB to plan a Joint Working Group meeting on Finance and Management issues.
- The Joint Working Group meeting was held on June 3. The group agreed to continue pushing for chapterless budgeting in pilot facilities in Ferghana, to ask the MOH to look into salary improvements for staff given their increased workload under the new reforms, to ask the Oblast Health Department to hire additional Financial Managers if possible, to begin considering additional training needs for Financial Managers as well as the development of a manual for them, and to plan for budget corrections using age and sex adjusters beginning in October. ZdravReform flew in representatives from Ferghana, Syr Daria, and Navoi oblasts to participate in the meeting. The next meeting of the Finance and Management Joint Working Group is scheduled for July 1.

8. Study Tour on Health Insurance Information Systems

- ZdravReform worked with USAID's Global Training for Development (GTD) Project to recommend participants for a two-week Health Insurance Information Systems study tour to the U.S from June 14 - 25. Participants on the study tour will examine health care financing and insurance systems in the U.S. Three Uzbek participants were funded by GTD: Mr. Mutalibhon Djamolhudjayevich Akbarov from the Ferghana Oblast Health Department, and Ms. Rosa Galiyevna Muhamedyarova and Mr. Mutal Turtaev from the World Bank Central Project Implementation Bureau. ZdravReform funded participation of its Management Specialist, Matluba Hakimova.

LLR 3.2.1.5 Modern management techniques and clinical practices adopted

Indicator: - Increased number of health care facilities in oblast using modern management techniques and clinical practices

1. Development of the Health Information System

- ZdravReform began development of a new computerized health information system in Uzbekistan. Tashkent and Ferghana computer specialists visited Bishkek to study the information system being used by the Kyrgyzstan health reform program. This system will serve as a model for development of the analogous system for Uzbekistan.
- ZdravReform developed and tested the client and server modules of the population data entry software. ZdravReform then worked with the World Bank PIB and the MOH to introduce new clinical and financial information forms for the new information system. ZdravReform and the PIB developed the forms and procedures for completing the forms and establishing the flow of information to create a comprehensive population database for Ferghana Oblast. The MOH and the Oblast Health Department approved these materials.
- ZdravReform and the Oblast Health Department jointly decided to employ enumerators to begin collecting data in Kuva (experimental rayon) and Tashlak (control rayon) Rayons. ZdravReform conducted a training seminar for Kuva City enumerators and rayon health sector representatives on the procedures for completing the population database forms. In the training seminar, it was stressed that accurate data is crucial for the development and monitoring of quality indicators, as well as for the implementation of new payment systems.
- ZdravReform completed renovations of the future Ferghana Computer Center, including the establishment of an electricity supply. However, development of the information systems has been hampered by delays in the World Bank computer procurement.

2. Computers Arrive in Ferghana

- In May, ZdravReform computer specialists from Tashkent and Ferghana oversaw the arrival of 22 computers for the new computer center that will be set up in the Ministry of Health Office of Medical Statistics. They ensured that the computers arrived intact and that specifications of the computers delivered matched those of the order.
- In late June, after realizing that the Oblast Health Department did not have enough funding to make small electrical repairs required for installation of the computers, ZdravReform agreed to pay for the repairs in order to expedite installation of the computers. Data entry will begin in July after the computers are installed and data entry specialists are recruited and hired.

- Peace Corps Computer Specialist Volunteer, Michael Lawlor, was sworn in and posted to the computer center in the Ministry of Health Office of Medical Statistics on May 24. He will assist in the development and implementation of the clinical and financial management information systems, as well as help oversee the hiring, training, and management of 40 data entry specialists.
3. Introduction to Clinical Information Systems for Health Personnel and Financial Managers
- Consultants George Purvis and Yuri Lisitsin held a training seminar in each experimental rayon to introduce key health personnel and financial managers to the new clinical and management information systems that soon will be implemented. Participants were given a brief introduction to the information system, explanation of the forms, and an overview of the timetable for the introduction of each form.
 - In addition, Mr. Purvis followed up on his October 1998 rayon seminars to ensure that the next steps defined by seminar participants had been completed. The majority of the recommended actions had been completed, and Mr. Purvis made suggestions on how to rapidly complete those that were still incomplete.
4. Primary Health Care Working Groups Defined
- During planning sessions held early in May, two working groups were defined within the framework of strengthening primary health care: (1) continuous education of physicians and nurses; and (2) development and strengthening of the material and technical base of primary health care facilities.
 - Group members were identified and a leader was chosen for each sub-group.
5. Physicians and Nurses in Ferghana Oblast Trained in Priority Services
- In early 1999, a number of clinical workshops were provided for physicians and mid-level personnel of Besharyk, Kuva and Yazyavan primary health facilities. The total number of trained physicians and nurses by topic were as follows: reproductive health and family planning (70); rational breastfeeding (62); diagnostics and treatment of cardio-vascular diseases and arterial hypertension (61); emergency cases and first medical aid (71); treatment of diarrhea (72); acute respiratory infections (75); and rational prescription of drugs (53).
 - These short courses were aimed at the burden of disease in Ferghana Oblast and were very popular among local health personnel. These courses will be expanded and repeated for those who have not received the training.
6. Clinical Training Workplan Drafted
- In the last two weeks of May, ZdravReform began to develop a workplan for its clinical training component. Consultant Ben Mills, a family physician who recently set up primary care clinics in Vladivostok and Almaty, traveled to Tashkent and Ferghana to help develop a strategic framework and a preliminary workplan for the clinical training component. The workplan is currently being reviewed and finalized.
 - As part of the process, ZdravReform organized a meeting of the Joint Working Group on Continuous Education of Physicians and Nurses, which was composed of representatives from ZdravReform, the World Bank, the Ministry of Health, and the Institute for Post-Graduate Medical Training in Tashkent.
 - ZdravReform interviewed health personnel in Ferghana oblast about their training needs. They emphasized the effectiveness of the clinical courses, expediency of joint training for SVP doctors and nurses, and the necessity for broadening the scope of topics of these short-term courses.

- Short clinical training courses will be developed on diagnosis and treatment of anemia, lab diagnostics, control and treatment of tuberculosis, thyroid diseases, and diabetes, cancer screening and early diagnosis of tumors, mental health, organization of health services at the primary health care level, ophthalmology, and ear, nose, and throat basics.
- In addition, ZdravReform will speed up the development and publication of materials in Uzbek for each short course, provide more informational materials to the population, and provide the previously held seven short courses for all primary health care personnel.
- ZdravReform left exams in Kuva and Yezyavan rayons to evaluate retention of knowledge and use of skills learned by doctors who participated in ZdravReform's short-term clinical training on several public health topics. Exams will be collected in the next several weeks and will provide ZdravReform with additional information on SVP training needs.

7. Short-term Training Modules Adopted by TashIAME

- The contents of the seven short clinical courses given by ZdravReform last year (reproductive health and family planning, diagnosis and treatment of diarrheal disease, diagnosis and treatment of ARIs, breastfeeding, emergency medicine/first aid, cardiovascular diseases and control of hypertension, and rational drug prescription) were reviewed by the scientific council of the Tashkent Institute for Advanced Medical Education (TashIAME) and adopted to be used at TashIAME departments on May 26. They have been approved as joint training programs, so certificates of completion of those courses will be issued both by TashIAME (which is licensed for issuing postgraduate medical education certificates) and ZdravReform.
- In the future, certificates will be given not only to primary health care physicians from three experimental rayons of Ferghana oblast, but also to doctors in other oblasts, who will be trained by TashIAME trainers. Certificates are being drafted now.

8. Trainers of Doctors Trained

- On May 22, Professor Fazilov gave a lecture to future clinical trainers trained by the Know How Fund on strategies and tactics for training doctors and nurses in SVPs and SVA/FAPs in Ferghana.
- From June 14-25, Dr. Fazilov participated in a seminar on Family Medicine in St. Petersburg.

9. Rational Pharmaceutical Management Initiated

- From January 18 to February 5, ZdravReform provided SVP physician seminars (one 6-day seminar per rayon) on rational drug prescription, drug interaction, and rational drug administration to special groups (children, pregnant women, etc.). The seminars attracted considerable interest from SVP doctors, doctors, polyclinics and central rayon hospitals, and rayon specialists. Participants expressed their desire for additional short seminars on rational drug prescription for diabetes, goiter, and anemia. A one-day seminar on these subjects was organized in February for 20 head Ferghana Oblast specialists.
- From June 15-18, ZdravReform consultants from Almaty, Grace Hafner, Talgat Nurgozhin (pharmacologist), and Julia Serova (legal specialist) traveled to Tashkent and Ferghana to assess the drug supply situation in the SVPs and to investigate the possibility of including drugs for childhood illnesses (Acute Respiratory Infection and Childhood Diarrheal Diseases (ARI/CDD)) into the drug

stocks of the SVPs. A drug tender was being planned using the money from the capitated payments paid to each SVP by the Oblast Health Department. A joint procurement for all SVPs in the three experimental rayons was being arranged with drugs primarily being selected from the Emergency Drug List created by the World Bank. Unfortunately, some of the antibiotics crucial for treatment of ARI were not included. However, since there are virtually no drugs in the SVPs at this time, it was decided to wait until the next tender before again trying to get ARI drugs on the purchase list, to avoid further delays in procurement. ZdravReform also invited the Coordinator of the World Bank Oblast Project Implementation Bureau, Gulom Zailobuddinov, to a seminar on drug tendering procedure put on by the Rational Pharmaceutical Management Project in Almaty, with assistance from Abt. Mr. Zailobuddinov played a key role in drug tendering for the primary care facilities in late June.

- Also at this time, the ZdravReform pharmacy team met with the head of the World Bank Project Implementation Bureau, Dr. Khasanov, and discussed the planned World Bank drug procurement. The government of Uzbekistan is planning to buy \$1 million of drugs, spread over four years for the three World Bank pilot oblasts. Purchases will be made from the Emergency Drug List. A procurement specialist was hired by the government of Uzbekistan to assist in the procurement, and the ZdravReform team discussed the purchasing process with him.
- ZdravReform was also asked to review the emergency drug list. Suggestions then were made on the appropriateness of some of the drugs in terms of safety and efficacy.
- The head of the PIB and the head of the Uzbekistan National Drug Quality Control Division asked ZdravReform to assist in reprinting the National Essential Drug List. However, considerable additions to the list have been made since the last time ZdravReform funded printing of the list and it is necessary for the ZdravReform team to carefully review the new list before committing any resources.

10. ZdravReform Representatives Participated in JHPIEGO Reproductive Health Conference

- On June 21-22, ZdravReform consultants from Almaty, Grace Hafner and Malika Baiserke, attended a two-day JHPIEGO conference on “Maximizing Access and Quality (MAQ) in Family Planning and Reproductive Health” at the Ministry of Health in Tashkent. The goal of the conference was to develop recommendations for improved family planning/reproductive health services through the application of updated service delivery guidelines, training, and evaluation systems.
- There were over 30 participants from Kazakhstan, Kyrgyzstan, and Uzbekistan, including representatives from the government, university faculties, and representatives from the Central Asian Regional NGO – CAMPA (Central Asian Medical and Pedagogical Association). The conference provided a good opportunity to evaluate how much reproductive health services had been accepted for integration into primary health care, especially the family group practices.

IR 3.2.3 Cost-effective health sector reforms adopted nationally

LLR 3.2.3.1

National legal, regulatory and policy framework established

Indicator: National legal, regulatory and policy framework for health sector embodies reforms

1. Input Provided on Various Government Decrees Related to Health Reform

- In May 1998, ZdravReform developed the first draft of a decree to address the development and implementation of a capitated payment system for primary care. This draft was submitted to the Head of the Financing and Management Component of the World Bank PIB, Dr. Turtaev, and was approved by all of the relevant Ministries except the Ministry of Finance (MOF). The MOF objections triggered a lengthy revision process. A fundamental problem with the decree was the formula for calculating the capitated rate for primary care. ZdravReform specialists worked closely with Dr. Turtaev to develop a capitated rate formula that is technically valid and acceptable to national and oblast leaders.
- The January 1999 version of the decree was an improvement over some of the previous versions, but it still contained some technical problems, including language pertaining to the level of funding for primary care. The decree does not allow the level of funding for primary health care to increase and does not mandate that savings generated by reforms be invested in primary health care. As this shift of resources from high cost hospital care to more cost-effective primary health care is the cornerstone of both the World Bank project and the ZdravReform Project, this is a serious issue. On the other hand, this decree had been “in process” since 1998 and was otherwise adequate. It was decided to begin supporting the decree and to work out specific issues during implementation.
- ZdravReform provided input on this issue to the World Bank mission in January that came to Uzbekistan to evaluate the conditions of effectiveness for the loan.
- In March, the Government of Uzbekistan, the Ministry of Health, the Ferghana Oblast Hokimyat and the Ferghana Oblast Health Department issued a number of legislative and regulatory acts to support the implementation of health reform. The following acts were passed: (1) Cabinet of Ministers Resolution No. 100 of March 5, 1999 “On Implementation of Primary Health Care Reforms in Ferghana Oblast”; (2) Addendum to the Resolution of the Cabinet of Ministers No. 100 “On Temporal Regulation on Financing Primary Health Facilities Based on Capitation”; (3) Order of the Ministry of Health No. 169 of March 16, 1999 “On Implementation of Primary Health Care Reforms in Ferghana Oblast”; (4) Temporary Akimat Regulation No. 49 of March 23, 1999 “On Organization of Primary Health Care Facilities in Pilot Rayons (Besharik, Kuva, and Yazyavan)”.
- In April, the Uzbek Government, the MOH, and the Ferghana Oblast Health Department issued the following legislative and regulatory acts to support the implementation of health reform: (1) Action Plan to execute Cabinet of Ministers Resolution No. 100; (2) Ministry of Health Order No. 258 to approve the new clinical data forms used in the Ferghana pilot rayons; and (3) Oblast Health Department Orders No. 64-K, No. 65-K, and No. 66-K, “On the Assignment of Chief Physicians and Financial Managers to SVPs and SVA/FAP Complexes in Besharik, Kuva, and Yazyavan Rayons of Ferghana Oblast.”

2. Draft By-laws for Primary Care Facilities Revised

- ZdravReform provided technical assistance in reviewing and revising the draft by-laws for primary care facilities in the three pilot rayons. The importance of the by-laws is twofold. First, by-laws are an integral part of the requirements for incorporation of juridical entities in Uzbekistan. Without by-laws the SVPs cannot be incorporated. Second, the by-laws play a very important role in regulating organizations’ internal practices and procedures and defining the management’s relations, rights, and duties.

3. Incorporation of Primary Care Facilities as Independent Juridical Entities

- Based on the incorporation by-laws, ZdravReform legal consultants and the MOH economic department developed a draft decree on incorporation of the primary care facilities as juridical entities. This decree was approved by the First Deputy Minister of the Ministry of Health and signed by the Head of Ferghana Oblast Health Department on March 23. The by-laws contain the necessary regulatory support for ensuring the managerial and financial independence of the primary care facilities.

4. Laws Passed on NGOs and Mahallas

- Officials recently passed and published several national laws on NGOs and mahallas. ZdravReform is currently translating them into English for review and analysis by our legal team.

LLR 3.2.3.2 Project products disseminated and public awareness raised

Indicators: - Public, health professionals and policymakers awareness of health reforms and health issues increased by public information campaign and information dissemination.

1. Study Tour Participants Identified

- ZdravReform provided the Global Training for Development (GTD) Project being implemented by the Academy for Educational Development (AED) with a list of 23 participants from the five Central Asian Republics, including five participants from Uzbekistan, for a Health Promotion study tour in Budapest, Hungary. The main topics of this study tour included the role of health promotion, how health promotion can be institutionalized, and how to develop and implement health promotion interventions. The participants conceptualized national strategic plans for health promotion and analyzed the roles of national health promotion centers, national and local governments, and NGOs.

2. “Time to be Healthy” Newsletter

- Issues of “Time to be Healthy,” a ZdravReform regional informational bulletin, were distributed bi-monthly in Kazakhstan, Kyrgyzstan, and Uzbekistan. In Uzbekistan, the bulletin was translated into Uzbek language before distribution. The January/February, March/April, and May/June issues of the newsletter were translated into Uzbek and distributed to all primary care facilities in Ferghana oblast.
- The first issue contained information about the USAID ZdravReform program, introduction of FGPs, freedom of choice of FGPs for patients, the legal basis for and examples of FGPs laws, and the importance of professional organizations in the health reform process. The bulletin also included a list of additional related articles, which are available upon request.
- The second issue contained information on integrating priority health services, such as prevention and treatment of tuberculosis and STIs, into primary health care.
- The third issue focused on licensing and accreditation of health care facilities and on hospital and health system rationalization.

3. Rayon and Local Level Public Awareness

- Numerous local radio and TV programs related to various aspects of the health care reforms have been broadcast throughout Ferghana Oblast. In addition, articles were published in the local print media. Among the covered topics was the SVP financial managers’ seminar, the role of communities in the health reform process, and clinical courses for physicians and nurses.

4. Briefing Given to Senior Officials from State Department and Treasury Department

- A group of senior officials from the State Department and Treasury Department visited Tashkent to obtain information on the compliance of USAID-funded projects in Uzbekistan to U.S. foreign policy. ZdravReform briefed the officials on the principles of the program, its main counterparts, acceptance of program messages, and optimal future activities.

5. Public Health Materials on Anemia and Goiter Identified

- ZdravReform staff met with Dr. Ellsworth, an American volunteer working in Andijan, and discussed the development of local materials on public health. Dr. Ellsworth is currently translating the manual “Where There is No Doctor” into Uzbek and has also translated fact sheets on the prevention of anemia and goiter in Uzbek for distribution to local populations. ZdravReform will work with Dr. Ellsworth to distribute copies of these materials, if appropriate, through the SVPs and SVA/FAPs in the three experimental rayons.

6. ZdravReform Database Installed in Tashkent

- A ZdravReform consultant from Almaty installed ZdravReform’s regional library and database in Tashkent to ensure easier access for our staff and the World Bank to key documents on health reform in Central Asia.

7. Coordination Meetings with Other Donors

- In February, Uzbekistan Country Director met with the Commercial Market Strategies (CMS) Project appraisal mission consisting of G. Laudato, F. Feeley, M. Cato, and M. Gokun-Silver. Mission members were briefed on the main project concepts with special reference to those issues that might be areas for future cooperation between the two projects.
- In May, ZdravReform staff met with the new TACIS-funded project, Preventive Health Care Policies and Programs, to discuss possible collaboration. The project will establish long-term programs on preventive health care and promotion of health lifestyles. Although the project is currently only in the inception phase, ZdravReform will continue to try to coordinate our efforts. The head of the project participated in the Joint Working Group on Clinical Training organized by ZdravReform on May 25.
- Also in May, ZdravReform met with an UNDP-funded project focusing on microfinance and microcredit programs. These small community loans offer a line of credit to local groups to support community development and income generation. The structure of the microfinancing program requires regular meetings of the credit groups and may be a possible venue for disseminating health information into the community. ZdravReform may explore microfinancing and possible connections to health promotion in July.
- In early June, ZdravReform met with Project Hope to discuss future collaboration in Navoi Oblast. Project Hope has recently won a four-year child survival project. The project also will conduct trainings on the prevention and management of tuberculosis, fund two DOTS pilot sites, and procure basic laboratory equipment necessary to screen for tuberculosis. ZdravReform will collaborate with Project Hope when developing short-term clinical training on tuberculosis prevention and child survival.

8. Uzbekistan Marketing Plan Developed

- In mid-June, ZdravReform, with support from a consultant from the Bishkek office, Genevieve Grabman, developed a brief marketing plan for Uzbekistan. The plan is based on the ZdravReform regional health marketing strategy and includes activities

to disseminate information about health reform to policymakers, health personnel, and the population. In addition, the plan includes health promotion activities designed to increase the patient's responsibility for his own health and advocate the use of family-centered, low-cost primary care facilities.

- The marketing plan includes activities designed to strengthen the role of the IHABs to disseminate public health information and the role of the SVP Physicians Association to disseminate information about the reforms to health personnel.

9. Information Prepared for Minister of Health

- At the request of the new Minister of Health, ZdravReform prepared a short report on the accomplishments of the project as of June 1, as well as a brief workplan outlining ZdravReform activities planned for the next six months. The report was shared with the World Bank Central Project Implementation Bureau and will be shared with other interested policymakers once finalized.

10. Collaboration with the Uzbekistan Physicians Association

- The Association of Physicians of Uzbekistan (APU) agreed to publish regular health reform information in the APU monthly bulletin. In February, an article about the establishment of the Ferghana Association of SVP Physicians was printed.

LLR 3.2.3.3 Increased adoption of successful demonstration interventions in other oblasts

Indicator: - Number of oblasts in which successful pilot projects are rolled out

1. World Bank Health Sector Loan

- A World Bank Mission took place January 9-23, 1999, in Tashkent in order to evaluate progress on meeting the conditions for releasing funds from the World Bank health sector loan. Several discussions took place between ZdravReform, the World Bank representatives, and the Uzbek government, which outlined the obligations that the Uzbekistan government must still meet before the loan will be released. The loan is necessary to purchase provisions for the first phase of the Project. Strategies were also discussed for future cooperation on common issues, such as the policy and legal framework for the development of the new payment system and autonomous PHC management. The loan was approved in March.
- Michael Borowitz and Cheryl Wickham represented USAID/ZdravReform on the World Bank supervision mission, April 5-17. The progress that has been made in Ferghana Oblast with ZdravReform assistance was noted by the World Bank team and by oblast and national level counterparts. During the mission, the World Bank team stressed the need for continued support from the Ministry of Finance to allow primary care facilities greater autonomy in the internal allocation of their resources. This point was reinforced in the World Bank Aide Memoire and in a follow-up letter from Team Leader John Langenbrunner to the Minister of Health of Uzbekistan.

2. ZdravReform/SPRITE Lessons Learned Seminar

- From May 17-19, ZdravReform organized a two-and-a-half day joint seminar with the World Bank entitled "Primary Health Care Financing and Management Reforms." The seminar focused on the current health reforms underway in Ferghana, Navoi, and Syr Daria oblasts. Lessons learned from Ferghana were discussed with special emphasis on improving implementation processes in Navoi and Syr Daria oblasts. It was one of the first times that representatives from all three pilot oblasts were brought together to openly report on and discuss the reform

process in their oblasts. Officials from the Cabinet of Ministers, Ministry of Health, Ministry of Finance, and the World Bank participated.

- The seminar was successful in meeting its objectives, and even made the local television news. In addition, ZdravReform staff prepared and distributed a press release summarizing who participated and what was accomplished that aired on the radio during the seminar.